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ABSTRACT

Proceedings are presented of hearings before the Senate Subcommittee on Child and Human Development concerning proposed legislation (S. 239 and S. 374) to revise, improve, and extend certain provisions of the Domestic Volunteer Service Act. Testimony from administrators of current programs under the act and from public witnesses focuses on the administration's plans for developing urban neighborhood volunteer programs, the interest of urban areas and community organizations in their potential, and the experience of a community which has developed a model for the ACTION agency's proposed program format. Testimony is also presented concerning the future of the ACTION Agency's service-learning programs, the findings of and the ACTION Agency responses to the House Appropriations Committee investigation of its policies, procedures, and practices, and the ACTION Agency's budget proposals. The text of the Domestic Volunteer Service Act of 1973, as amended (P.L. 93-113) is appended. (LRA)

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DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1979

HEARINGS

BEFORE THE

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

NINETY-SIXTH CONGRESS

FIRST SESSION

ON

S. 239

TO AUTHORIZE APPROPRIATIONS FOR PROGRAMS UNDER THE DOMESTIC VOLUNTEER SERVICE ACT OF 1973, TO AMEND SUCH ACT TO FACILITATE THE IMPROVEMENT OF PROGRAMS CARRIED OUT THEREUNDER, AND FOR OTHER PURPOSES

FEBRUARY 8 AND MARCH 7, 1979

U S DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
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CONTENTS

Page

Text of:

S. 239 2

S. 374 26

Chronological List of Witnesses

MONDAY, FEBRUARY 8, 1979

Brown, Hon. Sam, Director, the ACTION Agency, accompanied by John Lewis, Associate Director, Domestic and Anti-poverty Operations; Marge Tabankin, Deputy Associate Director, VISTA; Helen Kelley, Deputy Associate Director, Older American Volunteer programs; Emerson Markham, Director, Budget Division, Office of Policy and Planning; Dana Rodgers, Director, Planning, Office of Policy and Planning, a panel 44

Chavez, Hon. Willie, New Mexico State Senate; John Gunther, executive director, U.S. Conference of Mayors, Washington, D.C.; Ron Brown, vice president for Washington operations, National Urban League, Washington, D.C.; Charles Baldwin, assistant to the Governor for Volunteerism, Office of the Governor, Sacramento, Calif 170

Fisler, John, director, management assistance program, Community Chest and Council, Cincinnati, Ohio; Leo Desjarlais, president, National CAP Directors Association, Lowell, Mass.; Sally M. Fisher, president, Board of the National Association of Neighborhoods, Washington, D.C., a panel 191

Woods, Harold, director, Center for Service Learning, University of Vermont, Burlington, Vt.; and Harry Lang, assistant executive director, Hillside Children's Center, Rochester, N.Y., a panel 241

WEDNESDAY, MARCH 7, 1979

Brown, Hon. Sam, Director, the ACTION Agency, accompanied by Marge Tabankin, Deputy Associate Director, VISTA; Tom Friedkin, Deputy Assistant Director, Administration and Finance; Helen Kelley, Deputy Associate Director, CAVP; and Harry MacLean 341

STATEMENTS

ACTION Agency, Samuel W. Brown, Jr., Director, prepared statement 147

Brown, Ronald H., vice president, National Urban League, Inc., prepared statement 175

Brown, Hon. Sam, Director, the ACTION Agency, accompanied by Marge Tabankin, Deputy Associate Director, VISTA; Tom Friedkin, Deputy Assistant Director, Administration and Finance; Helen Kelley, Deputy Associate Director, CAVP; and Harry MacLean 341

Brown, Hon. Sam, Director, the ACTION Agency, accompanied by John Lewis, Associate Director, Domestic and Anti-Poverty Operations; Marge Tabankin, Deputy Associate Director, VISTA; Helen Kelley, Deputy Associate Director, Older American Volunteer programs; Emerson Markham, Director, Budget Division, Office of Policy and Planning; Dana Rodgers, Director, Planning, Office of Policy and Planning, a panel 44

  Prepared statement 147

Center for Service-Learning, University of Vermont, Harold D. Woods, director, prepared statement (with attachments) 246

Chavez, Hon. Willie, New Mexico State Senate; John Gunther, executive director, U.S. Conference of Mayors, Washington, D.C.; Ron Brown, vice president for Washington operations, National Urban League, Washington, D.C.; Charles Baldwin, assistant to the Governor for Volunteerism, Office of the Governor, Sacramento, Calif 170

Page
Community Chest and Council of the Cincinnati Area, John C. Fisler, director, management assistance program, prepared statement 193
Desjarlais, Leo F., executive director, Community Teamwork, Inc., prepared statement 218
Fisher, Sally M., president, Board of the National Association of Neighborhoods, Washington, D.C 229
Fisler, John C., director, management assistance program, Community Chest, and Council, Cincinnati, Ohio 191
  Prepared statement 193
Rochester Area Colleges, Inc., Harry Lang, assistant executive director, Hillside Children's Center, prepared statement 280
Tsongas, Hon. Paul E., a U.S. Senator from the State of Massachusetts, prepared statement 189
Woods, Harold, director, Center for Service Learning, University of Vermont, Burlington, Vt 241
  Prepared statement 246

APPENDIX

Additional questions submitted in writing, with responses:
  Brown, Hon. Sam, Director, the ACTION Agency, responses to questions asked by:
    Senator Cranston 364
    Senator Nelson 375
    Senator Riegle 388
Additional statements submitted for the record:
  Clifton, Robert, director, University Year for ACTION program, Metropolitan State College, Denver, Colo., prepared statement 663
  McClaughry, John, president, Institute for Liberty and Community, prepared statement 660
  Permaul, Jane S., Dean, office of experimental educational programs, UCLA, prepared statement 657
  Saxe, Ruth MacKenzie, ex-deputy, Peace Corps, prepared statement 650
Correspondence to:
  Cranston, Hon. Alan, chairman, Subcommittee on Child and Human Development, from:
    Beals, Alan, executive director, National League of Cities 693
    Brown, Ronald H., vice president, National Urban League, et al 691
    Jones, F. Thomas, national representative, National Association of Farmworker Organizations 688
    O'Rourke, Walter P., chairman, National SCORE Council Legislative Affairs Committee 673
    Owen, Mary Jane, university year for action coordinator, Peralta College for Non-Traditional Study 679
    Ross, E. Clarke, director, UCPA governmental activities office, United Cerebral Palsy Associations, Inc 689
    Svrluga, William J., Jr., dean of students Macalester College, and Helen Drotning-Miller, director, community involvement programs 686
    Wesley, Roland, Ph. D., associate professor and director, university year for ACTION, service-learning program, George Williams College 684
Report of the Committee on Appropriations, House of Representatives, on the policies, procedures, and practices of ACTION 396
  ACTION Agency response 536
Text of Public Law 95-510, Small Business Act, Amendment 675
Text of Public Law 93-113, The Domestic Volunteer Service Act of 1973, as amended 702
Youth and the needs of the Nation, report of the Committee for the Study of National Service, excerpts from 694

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1979

MONDAY, FEBRUARY 8, 1979

U.S. SENATE,
SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT
OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9 a.m., in room 6226, Dirksen Senate Office Building, Senator Alan Cranston (chairman of the subcommittee) presiding.

Present: Senators Cranston and Humphrey.

Senator CRANSTON. Today's hearing has been called to enable the subcommittee to receive testimony from the administration and from public witnesses on proposed legislation—S. 239 and S. 374—to revise, improve, and extend certain provisions of the Domestic Volunteer Service Act of 1973, the statutory base for the ACTION Agency and its domestic volunteer service programs.

On January 25, I introduced with Senators Riegle and Williams S. 239, the proposed Domestic Volunteer Service Act Amendments of 1979. The administration's legislative proposal to extend certain authorizations of appropriations and to make other amendments was transmitted to the Congress on Tuesday.

I introduced the administration's proposal—S. 374—by request yesterday. The lateness of this transmittal will obviously prevent our public witnesses from commenting on that proposal as well as S. 239 at this hearing. We will, however, get a copy of the administration's bill to each of the public witnesses, and I will ask for their written comments for inclusion in the hearing record.

[A copy of the bills referred to follows:]

96TH CONGRESS
1ST SESSION

S. 239

To authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 25 (legislative day, JANUARY 15), 1979

Mr. CRANSTON (for himself, Mr. WILLIAMS, and Mr. RIEGLE) introduced the following bill; which was read twice and referred to the Committee on Human Resources

---

A BILL

To authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Volunteer Service Act Amendments of 1979".

SEC. 2. Section 103 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) (hereinafter referred to as "the Act") is amended by—

(1) amending subsection (b) by—

(A) striking out "Prior to" and inserting in lieu thereof "Within thirty days after" in the second sentence; and

(B) inserting at the end thereof the following new sentence: "The Director shall offer to provide each volunteer enrolled for a period of full-time service of one year or more under this title, and, upon the request of such volunteer, provide such volunteer with an individual and updated plan as described in the preceding two sentences."; and

(2) amending subsection (d) by—

(A) inserting "in a program or project" after "work";

(B) inserting "or project" after "program";

(C) striking out from "has not" in the first sentence through "concerned" in the second sentence and inserting in lieu thereof "such Governor or chief executive officer has not, within forty-five days of the date of such submission, notified the Director in writing, supported by a statement of reasons, that he or she disapproves such program or project. In the event of a timely request in writing, supported by a statement of reasons, by the Governor or other chief executive officer of the State concerned, the Director shall terminate the assignment of a volunteer"; and

(D) striking out "The assignment of a volunteer shall be terminated by the Director when so requested by the Governor or chief executive officer of the State concerned" and inserting in lieu thereof "In the event of a timely request in writing, supported by a statement of reasons, by the Governor or other chief executive officer of the State concerned, the Director shall terminate the assignment of a volunteer".

SEC. 3. Section 105(a)(2) of the Act is amended by amending the first sentence thereof to read as follows: "Stipends shall be payable only upon completion of a period of service, except that under such circumstances as the Director shall determine, in accordance with regulations which the Director shall prescribe, the accrued stipend, or any part thereof, may be paid to the volunteer, or, on behalf of the volunteer, to members of the volunteer's family or others during the period of the volunteer's service.".

SEC. 4. Section 114(a) of the Act is amended by—

(1) striking out in the first sentence "10" and inserting in lieu thereof "15";

(2) striking out in the second sentence "$6,700,000" both places it appears and inserting in lieu thereof "$4,600,000"; and

(3) inserting before the period in the second sentence a comma and "except that, notwithstanding the limitation provided in the first sentence of this subsection, of the funds made available for the operation of projects under this part, one-third of the first $1,000,000 may be used to continue programs of demonstrated effectiveness under this section".

SEC. 5. Section 122 of the Act is amended by—

(1) amending subsection (a) by—

(A) inserting "in urban and rural areas" after "programs" the first place it appears;

(B) striking out "and" the first place it appears and inserting a comma and "a program of assistance to victims of domestic violence, and the programs specified in section 134 (1) and (2) of this Act" after "abusers"; and

(C) inserting at the end thereof the following new sentence: "In carrying out programs authorized by this part, the Director is authorized to provide for the recruitment, selection, and training of volunteers."; and

(2) amending subsection (c) to read as follows:

"(c)(1) The Director, in accordance with regulations which the Director shall prescribe, may provide to volunteers enrolled for periods of part-time service of twenty hours or more per week for twenty-six or more consecutive weeks under this part such allowances, support, and services as are described in section 105(b) and as the Director determines are necessary to carry out the purpose of this part, and shall apply the provisions of sections 104(c) and 105(b) to the service of volunteers enrolled for full-time service under this part.

"(2) The Director, in accordance with regulations which the Director shall prescribe with respect to volunteers enrolled for periods of full-time service of one year or more under this part—

"(A) may provide to such volunteers such stipends, in total amounts not in excess of stipends provided under section 105(a) to volunteers serving under part A of this title, as the Director determines are necessary to carry out the purpose of this part; and

"(B) to the extent that the terms and conditions of the service of such volunteers are of similar character to the terms and conditions of the service of volunteers enrolled under part A of this title, shall apply to the service of such volunteers enrolled under this part the provisions of sections 103(b) (with respect to low-income community volunteers), 103(d), 104(d), and 105(a) to the extent such provisions are applied to the service of volunteers enrolled under such part A.".

SEC. 6. Section 221 of the Act is amended by striking out "Office of Economic Opportunity" and inserting in lieu thereof "Community Services Administration".

SEC. 7. (a)(1) Title I of the Act is amended by adding at the end thereof the following new part:

"PART D—URBAN NEIGHBORHOOD VOLUNTEER PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 131. The purpose of this part is to strengthen and encourage the involvement of individuals, neighborhood groups, voluntary associations, labor organizations, local enterprises, local governments, and other local entities in community revitalization and person-to-person service activities in distressed urban neighborhoods by providing for Urban Neighborhood Volunteer Programs which build on the capacity of existing and emerging neighborhood groups, through the use of volunteers enrolled for a period of full-time service and volunteers enrolled for periods of part-time service, to assist in efforts to reverse deterioration of and improve the quality of life in their neighborhoods, particularly in situations where the application of human talent and dedication may assist in the solution of poverty and poverty-related problems, and to provide appropriate authorities and responsibilities designed to assist in the development and coordination of such programs.

"GENERAL PROVISIONS

"SEC. 132. (a) The Director is authorized to conduct or make grants to and contracts with public agencies and private nonprofit organizations, or both, for projects to carry out the purpose of this part in accordance with the authorities and subject to the restrictions in the provisions of this part.

"(b) The assignment of volunteers under this part shall be on such terms and conditions, and volunteers may be provided only such allowances, stipends, and benefits and be afforded such status and be subject to such restrictions as are provided for in this Act (except with respect to coverage under section 415(d)) for volunteers whose service and time commitment is of similar character. The Director shall take appropriate steps to encourage the assignment together of volunteers from various age groups, particularly young and old, and the use of volunteers enrolled for a period of full-time service of one year or more and volunteers enrolled for periods of part-time service in assignments as catalysts to extend the effectiveness of paid employees of projects and in assignments to carry out recruitment and placement activities.

"(c) Notwithstanding any other provision of this Act or any other law, not more than an amount equal to 15 per centum of the total amount available for grants and contracts and the conduct of programs under this part for each fiscal year shall be expended for administrative expenses from sums appropriated under section 504 of this Act in order to carry out this part.

"(d) In prescribing regulations to carry out this part and in designating lead agencies pursuant to section 133(a) of this Act, the Director shall consult with the Director of the Community Services Administration established under section 601(a) of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2941(a)).

"AUTHORITY TO OPERATE URBAN NEIGHBORS PROGRAMS

"SEC. 133. (a)(1) The Director, with the concurrence of the mayor or other chief elected governmental authority of an urban area with distressed neighborhoods, is authorized to designate and provide financial assistance to a lead agency in accordance with the provisions of paragraph (2) of this subsection to support the efforts of teams (each team consisting of one professional employee familiar with the distressed urban area in question, at least one volunteer enrolled for a period of full-time service of one year or more, and volunteers enrolled for periods of full-time and part-time service) and essential support staff to operate Urban Neighbors Programs to carry out community revitalization and person-to-person service activities in distressed urban neighborhoods through—

"(A) the recruitment, on a request-for-service basis, of volunteers who possess needed skills and the matching of such volunteers with neighborhood groups requiring the skills of such volunteers in carrying out community revitalization and person-to-person service projects, with appropriate emphasis on activities to carry out the national neighborhood priority programs established under section 134 of this Act;

"(B) the development of a resource bank listing locally-recruited persons willing to serve as volunteers enrolled for periods of part-time service to assist such group in such projects;

"(C) the encouragement of the development of neighborhood groups in distressed urban neighborhoods to carry out such projects;

"(D) the coordination and facilitation of volunteer assistance available pursuant to subsection (b) of this section; and

"(E) such other activities consistent with the provisions of this part as the Director determines are necessary to carry out the purpose of this part.

"(2) An organization which is a public or private nonprofit organization (such as a local governmental agency, a community action agency, a community college, a broad-based coalition of neighborhood groups, or other voluntary organization or agency) or a combination of such organizations may qualify for designation as a lead agency under paragraph (1) of this subsection. In the selection of lead agencies, the Director shall assure that—

"(A) an application process, pursuant to regulations which the Director shall prescribe, has been established for organizations and agencies interested in being designated as a lead agency;

"(B) public announcement has been made and other appropriate efforts have been made to provide individual notification about such process to potentially eligible organizations and agencies; and

"(C) special consideration is given to those organizations and agencies which have demonstrated their effectiveness in serving persons in distressed urban areas and in mobilizing volunteers, coordinating volunteer assistance projects, and working with other appropriate private, public, and voluntary organizations and agencies or Federal, State, and local governmental agencies, with priority given to community action agencies (as defined in section 212(b) of this Act) of such demonstrated effectiveness where the program in the urban area in question will focus predominantly on low-income persons served by such agency.

"(b)(1) The Director is authorized to provide directly, and not by grant or contract, appropriate assistance to programs operated under this section, including (A) the recruitment of scarce-skill volunteers to assist in projects carried out pursuant to this part, (B) the provision, where appropriate, of such payments (such as essential job-related expenses) to volunteers serving under this part as are authorized under section 132(b) of this Act, and (C) the provision of technical, management, and coordination assistance for lead agencies designated under subsection (a) of this section.

"(2) The Director, after consultation with the mayor or other chief elected governmental authority of the urban area involved, is authorized to make neighborhood seed-money grants to nonprofit organizations in distressed urban neighborhoods (either directly or for distribution to such organizations by lead agencies designated under subsection (a) of this section) for the purpose of promoting volunteer activities in such neighborhoods, and providing volunteers working in neighborhood groups with such materials, tools, supplies, training, and administrative support as the Director deems necessary to enable such volunteers to work effectively, in community revitalization and person-to-person service projects. No nonprofit organization grantee shall be eligible to receive in any fiscal year funds under this subsection in excess of $15,000 or a total of $50,000 over any three fiscal years for use by an entity in a particular neighborhood.

"(3) Not more than 30 per centum of the sums appropriated to carry out this part for each fiscal year shall be used for the purpose of making grants under this subsection in any fiscal year.

"(c) With respect to activities carried out under this section to assist low-income persons residing in areas served by community action agencies (as defined in section 212(b) of this Act), lead agencies designated under subsection (a) of this section and the Director shall consult with such community action agencies, and, with respect to activities carried out under this section to assist elderly persons residing in an area served by an area agency on aging designated under title III of the Older Americans Act of 1965, as amended (42 U.S.C. ch. 35), such lead agencies and the Director shall consult with such agency.

"AUTHORITY TO DEVELOP AND CARRY OUT NATIONAL URBAN NEIGHBORHOOD PRIORITIES PROGRAMS

"SEC. 134. The Director shall develop and carry out National Urban Neighborhood Priorities Programs, including—

"(1) a program designated 'Helping Hand', utilizing person-to-person services to reduce the necessity for institutionalization (in hospitals, mental institutions, nursing homes, other extended-care settings, and other facilities) and to ameliorate residential isolation (through senior centers, halfway-house facilities, and other settings) of older persons, handicapped persons, and other affected persons, stressing interactions between persons from various age groups, particularly young and old, and carried out in coordination with the appropriate State system for the protection and advocacy of the rights of persons with developmental disabilities established pursuant to amendments made by section 203 of the Developmental Disabilities Assistance and Bill of Rights Act (Public Law 94–103);

"(2) a program designed to provide personal and group financial counseling to low- and fixed-income individuals, utilizing volunteers with specialized or technical expertise; and

"(3) such other additional program as the Director may identify each year as a national program priority (based on the Director's determination that the activities to be carried out under such program have been demonstrated in programs carried out under part C of this title to be effective in achieving their purposes) to stimulate and initiate improved methods of utilizing volunteers to carry out the purpose of this part, and the continuation of any such programs as the Director may determine.".

(2) Not later than eighteen months after funds are first made available to carry out activities under part D of title I of this Act (as added by paragraph (1) of this subsection), the Director of the ACTION Agency shall submit to the appropriate committees of the Congress a report on programs, activities, grants, and contracts so carried out, including a description of all programs established and contracts and grants made under such part D and funds obligated therefor and thereunder and the specific arrangements for the conduct of evaluations of such programs, activities, grants, and contracts pursuant to section 417 of this Act.

(b) The table of contents of the Act is amended by inserting below the heading for section 123 the following:

"PART D—URBAN NEIGHBORHOOD VOLUNTEER PROGRAMS

"Sec. 131. Statement of purpose.
"Sec. 132. General provisions.

"Sec. 133. Authority to operate Urban Neighbors Programs.
"Sec. 134. Authority to develop and carry out National Urban Neighborhood Priorities Programs.".

Sec. 8. Section 404(g) of the Act is amended by—

(1) inserting "(1)" after "(g)";

(2) inserting before the period at the end of paragraph (1) (as redesignated by clause (1) of this section) a colon and "*Provided,* That this paragraph shall not apply in the case of such payments when the Director determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201 et seq.)"; and

(3) inserting at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of law, a person enrolled for full-time service as a volunteer under title I of this Act who was otherwise entitled to receive assistance or services under any governmental program prior to such volunteer's enrollment shall not be denied such assistance or services because of such volunteer's failure or refusal to register for, seek, or accept employment or training during the period of such service.".

Sec. 10. Section 410 of the Act is amended by inserting at the end thereof the following new sentence: "The Director, in consultation with the Director of the Office of Personnel Management and the Secretaries of Labor, Commerce, and the Treasury and officials of other appropriate departments and agencies, shall take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers (1) to take into account experience in volunteer work in the consideration of applicants for employment, and (2) to make provisions for the listing and description of volunteer work on all employment application forms.".

SEC. 10. Section 414 of the Act is amended by inserting "among various regions of the country and" after "equitably".

SEC. 11. Section 415 is amended by—

(1) amending subsection (b) by—

(A) striking out in the first sentence "in programs under title I of this Act for periods of service of at least one year" and inserting in lieu thereof "as volunteers for periods of full-time service, or, as the Director deems appropriate in accordance with regulations, for periods of part-time service of not less than twenty hours or more per week for twenty-six or more consecutive weeks, under title I of this Act";

(B) striking out in clause (3) "and";

(C) amending clause (4)(A) by striking out "the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS-7 employee," and inserting in lieu thereof "the annual rate of pay of a volunteer enrolled for a period of full-time service under such title I shall be deemed to be that received under the entrance salary for a grade GS-7 employee, and the annual rate of pay of a volunteer enrolled for a period of part-time service under such title I shall be deemed to be such entry salary or an appropriate portion thereof as determined by the Director,"; and

(D) striking out the period at the end thereof and inserting in lieu thereof a comma and "and (5) be deemed employees of the United States for the purposes of section 5584 of title 5, United States Code (and stipends and allowances paid under this Act shall be considered as pay for such purposes."); and

(2) inserting at the end thereof the following new subsection:

"(f)(1) The remedy—

"(A) against the United States provided by sections 1346(b) and 2672 of title 28, United States Code, or

"(B) through proceedings for compensation or other benefits from the United States as provided by any other law, where the availability of such benefits precludes a remedy under section 1346(b) or 2672 of such title 28,

for damages for personal injury, including death, allegedly arising from malpractice or negligence of a physician, dentist, podiatrist, optometrist, nurse, physician assistant, expanded-function dental auxiliary, pharmacist, or paramedical (for example, medical and dental technicians, nursing assistants, and therapists) or other supporting personnel in furnishing medical care or treatment while in the exercise of such person's duties as a volunteer enrolled under title I of this Act shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against such person (or such person's estate) whose action or omission gave rise to such claim.

"(2) The Attorney General shall defend any civil action or proceeding brought in any court against any person referred to in paragraph (1) of this subsection (or such person's estate) for any such damage or injury. Any such person against whom such civil action or proceeding is brought shall deliver, within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon such person or an attested true copy thereof to such person's immediate supervisor or to whomever is designated by the Director to receive such papers, and such person shall promptly furnish copies of the pleading and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought and to the Attorney General.

"(3) Upon a certification by the Attorney General that the defendant was acting in the scope of such person's volunteer assignment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending and the proceeding deemed a tort action brought against the United States under the provisions of title 28, United States Code, and all references thereto. After removal the United States shall have available all defenses to which it would have been entitled if the action had originally been commenced against the United States. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the volunteer whose act or omission gave rise to the suit was not acting within the scope of such person's volunteer assignment, the case shall be remanded to the State court.

"(4) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677 of title 28, United States Code, and with the same effect.".

SEC. 12. Section 417 of the Act is amended by—

(1) inserting at the end of subsection (a) the following new sentence: "For the purposes of this subsection, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (Public Law 94-135, title III; 42 U.S.C. 6101 et seq.), any project or activity to which volunteers are assigned under this Act shall be deemed to be receiving Federal financial assistance."; and

(2) inserting at the end thereof the following new subsection:

"(c) The Director shall apply the nondiscrimination policies and authorities set forth in section 717 of the Civil Rights Act of 1974 (42 U.S.C. 2000e-16), in title V of the Rehabilitation Act of 1973 (29 U.S.C. ch. 16, subch. V), and in the Age Discrimination Act of 1975 (Public Law 94-135, title III; 42 U.S.C. 6101 et seq.) to applicants for enrollment for service as volunteers and to volunteers serving under this

Act and the Peace Corps Act (22 U.S.C. 2501 et seq.), and any remedies under such laws shall be available to aggrieved such applicants or volunteers. Not later than ninety days after the date of the enactment of this Act, the Director, after consultation with the Equal Employment Opportunity Commission with regard to the application of the policies set forth in section 717 of such Civil Rights Act and with the Interagency Coordinating Council (established by section 507 of the Rehabilitation Act of 1973 (29 U.S.C. 797)) and the Interagency Committee on Handicapped Employees (established by section 501(a) of such Rehabilitation Act (29 U.S.C. 791(a))) with regard to the application of the policies set forth in title V of such Rehabilitation Act, and not later than ninety days after the Secretary of Health, Education, and Welfare publishes final general regulations to carry out such Age Discrimination Act, the Director, after consultation with the Secretary with regard to the application of the policies set forth in such Act, shall prescribe regulations establishing the procedures for the application of such policies so as to promote the enrollment and services of persons as such volunteers without regard to the discriminatory factors proscribed in such laws.".

SEC. 13. (a) Title IV of the Act is amended by adding at the end thereof the following new section:

"REDUCTION OF PAPERWORK

"Sec. 423. In order to reduce unnecessary, duplicative, or disruptive demands for information, the Director, in consultation with other appropriate agencies and organizations, shall continually review and evaluate all requests for information made under this Act and take such action as may be necessary to reduce the paperwork required under this Act. The Director shall request only such information as the Director deems essential to carry out the purposes and provisions of this Act.".

(b) The table of contents of the Act is amended by inserting below the heading for section 422 the following:

"Sec. 423. Reduction of paperwork.".

Sec. 14. Title V of the Act is amended by—

(1) amending section 501 by—

(A) striking out "(a)" and striking out "and" after "September 30, 1977," in the first sentence, and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978," in such sentence;

(B) striking out "$29,600,000" in the second sentence of subsection (a) and inserting in lieu thereof "80 per centum", striking out "this" and inserting in lieu thereof "such", and inserting before the period a comma and "and, of the sums so appropriated, not more than $5,000,000 for the fiscal year ending September 30, 1979, not more than $27,500,000 for the fiscal year ending September 30, 1980, and not more than $30,000,000 for the fiscal year ending September 30, 1981, shall be available for the purpose of carrying out part D of such title: *Provided*, That, notwithstanding any other provision of law, no sums appropriated for such purpose shall be obligated or expended (except insofar as is necessary in order to comply with clause (2) of this section) unless (1) not less than a total of $72,000,000 has been appropriated and made available under section 502 of this Act, and (2) not less than $8,100,000 of the sums appropriated for the purpose of carrying out such part D has been obligated for carrying out the programs authorized by section 134 (1) and (2) of this Act"; and

(C) striking out the last sentence of subsection (a) and all of subsection (b); and

(2) amending section 504 by striking out "and" after "September 30, 1977,", and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978,".

SEC. 15. Not later than February 1, 1979, the Director of the ACTION Agency shall submit to the appropriate committees of the Congress a report specifying the special needs and circumstances to be addressed in designing programs under the Domestic Volunteer Service Act of 1973 for implementation in rural areas, and a strategy and timetable for meeting such needs and circumstances.

SEC. 16. Section 5(b) of the Act entitled "An Act to amend further the Peace Corps Act, and for other purposes", approved November 14, 1975 (Public Law 94–130; 89 Stat. 684), is amended by striking out the last sentence thereof.

○

96TH CONGRESS
1ST SESSION

S. 374

To authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, to authorize urban volunteer programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 7 (legislative day, JANUARY 15), 1979

Mr. CRANSTON (by request) introduced the following bill; which was read twice and referred to the Committee on Human Resources

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A BILL

To authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, to authorize urban volunteer programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Volunteer Service Act Amendments of 1979".

SEC. 2. Section 103(b) of the Domestic Volunteer Service Act of 1973 (Public Law 93–113); (hereinafter the

"Act") is amended by striking out "Prior to" in the second sentence and inserting in lieu thereof "Within thirty days after".

SEC. 3. Section 105(a)(2) of the Act is amended by amending the first sentence thereof to read as follows: "Stipends shall be payable only upon completion of a period of service, except that under such circumstances as the Director shall determine, in accordance with regulations which the Director shall prescribe, the accrued stipend, or any part thereof, may be paid to the volunteer, or, on behalf of the volunteer, to members of the volunteer's family or others during the period of the volunteer's service.".

SEC. 4. Section 114(a) of the Act is amended by—

(a) striking out "Of the funds appropriated for the operation of programs under this part, up to 10 per centum may be used, notwithstanding any other provisions of this part," in the first sentence and inserting in lieu thereof "The Director is authorized to conduct, or make grants or contracts for programs"; and

(b) striking out the second sentence thereof.

SEC. 5. Section 122(c) of the Act is amended to read as follows:

"(c)(1) The Director, in accordance with regulations which the Director shall prescribe, may provide to volunteers enrolled for periods of part-time service of twenty hours or more per week for twenty-six or more consecutive weeks under this part such allowances, support, and services as are described in section 105(b) and as the Director determines are necessary to carry out the purpose of this part, and shall apply the provisions of sections 104(c), and 105(b) to the service of volunteers enrolled for full-time service under this part.

"(2) The Director, in accordance with regulations which the Director shall prescribe with respect to volunteers enrolled for periods of full-time service of one year or more under this part—

"(A) may provide to such volunteers such stipends, in total amounts not in excess of stipends provided under section 105(a) to volunteers serving under part A of this title, as the Director determines are necessary to carry out the purpose of this part; and

"(B) to the extent that the terms and conditions of the service of such volunteers are of similar character to the terms and conditions of the service of volunteers enrolled under part A of this title, shall apply to the service of such volunteers enrolled under this part the provisions of sections 103(b) (with respect to low-income community volunteers), 104(d), and 105(a) to the extent such provisions are applied to the service of volunteers enrolled under such part A.".

SEC. 6. Title II of the Act is amended by—

(a) adding "s" to the word "American" in the title thereof, and in the title of part B thereof; and

(b) striking out "Office of Economic Opportunity" and inserting "Community Services Administration" in section 221 thereof.

SEC. 7. The Act is amended by adding after title II thereof the following new title:

"TITLE III—URBAN VOLUNTEER PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 301. The purpose of this title is to strengthen and encourage the involvement of individuals, neighborhood groups, voluntary associations, labor organizations, local enterprises, local governments, and other local entities in community revitalization and person-to-person service activities in distressed urban neighborhoods by providing for urban volunteer programs which build on the capacity of neighborhood groups through the use of volunteers to assist in efforts to reverse deterioration of and improve the quality of life in their neighborhoods, particularly in situations where the application of human talent and dedication may assist in the solution of poverty-related problems and the problems of the elderly, and to provide appropriate authorities and responsibilities designed to assist in the development and coordination of such programs.

"AUTHORITY TO ESTABLISH AND OPERATE PROGRAMS

"SEC. 302. (a) The Director is authorized to conduct, and make grants, contracts, or enter into cooperative agreements with public agencies and private nonprofit organizations for urban volunteer projects which carry out the purposes of this title.

"(b) Programs authorized by this title may include, but are not limited to—

"(1) an Urban Volunteer Corps which includes—

"(A)(i) projects in urban areas which attempt to match specific needs of local governments and neighborhood groups with volunteers who possess needed skills, on a request-for-service basis;

"(ii) development of listings of locally recruited, part-time volunteers as a resource bank within a community, city, or urban area;

Projects and activities of the Urban Volunteer Corps under subparagraph (A) shall be administered in each city or urban area receiving funds under this paragraph a lead agency, which shall be designated by the director with the concurrence of the mayor or other chief elected official.

"(B)(i) projects designed to provide personal and group financial counseling to low- and fixed-income individuals, particularly the elderly, utilizing volunteers with specialized or technical expertise, and

"(ii) projects utilizing volunteers to reduce the necessity of institutionalization and ameliorate the residential isolation of older persons, handicapped persons and other similarly isolated persons.

Except to the extent projects under subparagraph (B) are administered by a lead agency described in subparagraph (A), grants for Urban Volunteer Corps programs under subparagraph (B) shall not be approved without prior consultation with the mayor or other chief elected official of such a city or area in a manner prescribed by the Director.

"(2) A "Good Neighbor Fund" program which shall provide grants, not to exceed $15,000, to nonprofit organizations in cities and urban areas (either directly or through lead agencies designated under paragraph (b)(1) of this section) to assist communities to—

"(A) reimburse the out-of-pocket expenses of volunteers working on neighborhood and community betterment projects, and

"(B) provide volunteers and neighborhood groups with the materials, tools, supplies, and administrative support necessary to carry out neighborhood and community betterment projects.

No Good Neighbor Fund grant may be made to an organization within a city or urban area without prior consultation with the mayor or other chief elected official of such a city or area in a manner prescribed by the Director.

"CONSULTATION AND REGULATIONS

SEC. 303. The Director shall, after consultation with the Director of the Community Services Administration, prescribe regulations to carry out this title, which shall include criteria for designation of lead agencies which require that special consideration be given to organizations of demonstrated effectiveness in serving persons in distressed urban areas, in mobilizing volunteers, in coordinating volunteer assistance projects and in working other public and private agencies and voluntary organizations. Such regulations shall also prescribe an application process which includes public announcement and individual notice to Community Action Agencies recognized by the Community Services Administration of the criteria and process for the selection of lead agencies and assures coordination of the activities of lead agencies with existing programs, particularly Community Action Agencies, to prevent duplication of effort.".

SEC. 8. Section 404(g) of the Act is amended by—

(a) inserting "(1)" after "(g)"; and

(b) inserting at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of law, a person enrolled for full-time service as a volunteer under title I of this Act who was otherwise entitled to receive assistance or services under any governmental program prior to such volunteer's enrollment shall not be denied such assistance or services because of such volunteer's failure or refusal to register for, seek, or accept employment or training during the period of such service.".

SEC. 9. Section 410 of the Act is amended by inserting at the end thereof the following new sentence: "The Director, in consultation with appropriate Departments and agencies, shall take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers (1) to take into account experience in volunteer work in the consideration of applicants for employment, and (2) to make provision for the listing and description of volunteer work on all employment applications forms.".

SEC. 10. Section 415 is amended by—

(a) amending subsection (b) by—

(1) striking out in the first sentence "in programs under title I of this Act for periods of service of at least one year" and inserting in lieu

thereof "as volunteers for periods of full-time service, or, to the extent the Director shall prescribe by regulation, for periods of part-time service of not less than twenty hours or more per week for twenty-six or more consecutive weeks, under title I of this Act";

(2) striking out in clause (3) "and";

(3) amending clause (4)(A) by striking out "the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS-7 employee," and inserting in lieu thereof "the annual rate of pay of a volunteer enrolled for a period of full-time service shall be deemed to be that received under the entrance salary for a grade GS-7 employee, and the annual rate of pay of a volunteer enrolled for a period of part-time service shall be deemed to be the entrance salary of a grade GS-2 employee,"

(4) striking out the period at the end thereof and inserting in lieu thereof a comma and by adding "and (5) be deemed employees of the United States for the purposes of section 5584 of title 5, United States Code (and stipends and allowances paid under this Act shall be considered as pay for such purposes)."; and

(b) inserting at the end thereof the following new subsection:

"(f)(1) The remedy—

"(A) against the United States provided by sections 1346(b) and 2672 of title 28, United States Code, or

"(B) through proceedings for compensation or other benefits from the United States as provided by any other law, where the availability of such benefits precludes a remedy under section 1346(b) or 2672 of such title 28, for damages for personal injury, including death, allegedly arising from malpractice or negligence of a physician, dentist, podiatrist, optometrist, nurse, physician assistant, expanded-function dental auxiliary, pharmacist, or paramedical (for example, medical and dental technicians, nursing assistants, and therapists) or other supporting personnel in furnishing medical care or treatment while in the exercise of such person's duties as a full-time volunteer enrolled under title I of this Act shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against such person (or such person's estate) whose action or omission gave rise to such claim.

"(2) The Attorney General shall defend any civil action or proceeding brought in any court against any person referred to in paragraph (1) of this subsection (or such person's estate) for any such damage or injury. Any such person against whom such civil action or proceeding is brought shall deliver, within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon such person or an attested true copy thereof to such person's immediate supervisor or to whomever is designated by the Director to receive such papers, and such persons shall promptly furnish copies of the pleading and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought and to the Attorney General.

"(3) Upon a certification by the Attorney General that the defendant was acting in the scope of such person's volunteer assignment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending and the proceeding deemed a tort action brought against the United States under the provisions of title 28, United States Code, and all references thereto. After removal, the United States shall have available all defenses to which it would have been entitled if the action had originally been commenced against the United States. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the volunteer whose act or omission gave rise to the suit was not acting within the scope of such person's volunteer assignment, the case shall be remanded to the State court.

"(4) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677 of title 28, United States Code, and with the same effect.".

SEC. 11. Section 417 of the Act is amended by—

(a) inserting "handicap," after "age," in subsection (a);

(b) inserting at the end of subsection (a) the following new sentence: "For the purposes of this subsection, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (Public Law 94-135, title III; 42 U.S.C. 6101 et seq.), any project or activity to which volunteers are assigned under this Act shall be deemed to be receiving Federal financial assistance."; and

(b) inserting at the end thereof the following new subsection:

"(c) The Director shall apply the nondiscrimination policies and authorities set forth in section 717 of the Civil

Rights Act of 1974 (42 U.S.C. 2000e-16), in title V of the Rehabilitation Act of 1973 (29 U.S.C. ch. 16, subch. V), and the Age Discrimination Act of 1975 (Public Law 94-135, title III; 42 U.S.C. 6101 et seq.) to applicants for enrollment for service as volunteers and to volunteers enrolled by ACTION for service under title I of this Act and any remedies available to individuals under such laws, other than the right of appeal to the Civil Service Commission authorized by section 717 of the Civil Rights Act of 1964, and transferred to the Equal Employment Opportunity Commission by Reorganization Plan Number 1 of 1978, shall be available to such applicants or volunteers. Not later than ninety days after the date of the enactment of this Act, the Director, after consultation with the Equal Employment Opportunity Commission with regard to the application of the policies set forth in section 717 of such Civil Rights Act and with the Secretary of Health, Education, and Welfare and the Interagency Committee on Handicapped Employees, established by section 501(a) of the Rehabilitation Act of 1973 (29 U.S.C. 791(a)), with regard to the application of policies set forth in title V of the Rehabilitation Act of 1973, and not later than ninety days after the Secretary of Health, Education, and Welfare publishes final general regulations to carry out the Age Discrimination Act of 1975, and after consultation with the Secretary with regard to the application of the policies set forth in such Act, shall prescribe regulations establishing the procedures for the application of such policies and the provision of such remedies so as to promote the enrollment and service of persons as volunteers without regard to the discriminatory factors proscribed in such laws.".

SEC. 12. Title IV of the Act is amended by adding at the end thereof the following new section:

"REDUCTION OF PAPERWORK

"SEC. 423. In order to reduce unnecessary, duplicative, or disruptive demands for information, the Director, in consultation with other appropriate agencies and organizations, shall continually review and evaluate all requests for information made under this Act and take such action as may be necessary to reduce the paperwork required under this Act. In accordance with the Federal Reports Act (44 U.S.C. 3501 et seq.), the director shall request only such information as the Director deems essential to carry out the purposes and provisions of this Act.".

SEC. 13. Title V of the Act is amended by—

(a) amending section 501 by striking out "and" after "September 30, 1974," in the first sentence, and inserting "$42,321,000 for the fiscal year ending September 30, 1979, $42,415,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for the fiscal year ending September 30, 1981," after "September 30, 1978," in such sentence;

(b) by adding, after section 502, the following new section:

"URBAN VOLUNTEER PROGRAMS

SEC. 503. There are authorized to be appropriated $4,680,000 for the fiscal year ending September 30, 1979, $25,457,000 for fiscal year ending September 30, 1980 and such sums as may be necessary for the fiscal year ending September 30, 1981, for the purpose of carrying out programs under title III of this Act.".

(c) amending section 504 by striking out "and" after "September 30, 1977,", and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978.".

SEC. 14. The table of contents of the Act is amended by—

(a) striking out "TITLE III" and all that follows through "operate programs." and

(b) inserting in lieu thereof the following:

"TITLE III—URBAN VOLUNTEER PROGRAMS

"Sec. 301. Statement of purpose.
"Sec. 302. Authority to establish and operate programs.
"Sec. 303. Consultation and regulations.".

(c) Inserting below the heading for section 422 the following:

"Sec. 423. Reduction of paperwork.".

(d) striking, immediately after "Sec. 503.", "National" and all that follows through "experience." and by inserting in lieu thereof "Urban volunteer programs.".

SEC. 15. Section 5(b) of the Act entitled "An Act to amend further the Peace Corps Act, and for other purposes", approved November 14, 1975, (Public Law 94-130; 89 Stat. 684) is amended by striking out the last sentence thereof.

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Senator **Cranston**. Except for the title II national older American programs—RSVP, foster grandparents, and senior companions—which were reauthorized for an additional 3 years as part of the Comprehensive Older Americans Act Amendments of 1978 (Public Law 95-478), the ACTION Agency's remaining domestic volunteer service programs—VISTA, service-learning, and demonstration programs—are currently operating under the authority of a continuing resolution which expires on September 30 of this year.

During the last Congress, this subcommittee developed legislation to extend each of the titles of the Domestic Volunteer Service Act of 1973. That bill, S. 2617, passed the Senate last July 21. Its provisions relating to the older Americans programs ultimately became law.

Unfortunately, however, the remaining provisions of the bill were not acted on by the House of Representatives prior to the adjournment of the 95th Congress. S. 239 generally incorporates those provisions of S. 2617 which passed the Senate last year but were not enacted.

The more controversial aspects of that legislation, regarding authorization of new urban programs, held up action on S. 2617 by the House of Representatives in the 95th Congress. In recognition of this, today's hearing will focus largely on the urban proposals—the administration's plans for developing them, the interest of urban areas and community organizations in their potential, and the experience of one community which has developed the model for the ACTION Agency's proposed program format.

In addition, we will consider today the future of the ACTION Agency's service-learning programs, particularly the University Year For Action (UYA) program which the administration has proposed to terminate, and we will examine the findings of and the ACTION Agency responses to the House Appropriations Committee's investigation of its policies, procedures, and practices.

We will also discuss the Agency's budget proposals.

In the context of the President's proposed fiscal year 1980 budget cutbacks for other domestic social programs, the ACTION Agency did quite well in this year's President's budget. The administration's request of $169.9 million for the Agency's domestic volunteer programs represents an increase of $51 million over the continuing resolution level provided for fiscal year 1979. Certainly, this is a reflection of strong administration support for these fine programs and the tireless efforts of the many, many volunteers who participate in ACTION Agency domestic projects—estimated to be 350,000 volunteers in fiscal year 1980.

The fiscal year 1980 budget proposed an increase of nearly $12 million for the VISTA program to a level of $37.3 million. This had been the level initially proposed to be achieved in fiscal year 1979.

It also proposed a $10 million increase in the older American volunteer programs to carry out three purposes: (1) To provide for a long-awaited stipend increase to $1.80 per hour (from $1.60) for foster grandparents and senior companions; (2) to provide for an increase in the RSVP program to $23.2 million; and (3) to provide long-needed increases for volunteer transportation costs and for project staff salaries.

These are directions I have long advocated, and I congratulate you, Sam Brown, and the administration for this part of the budget particularly.

The President's fiscal year 1980 budget also proposes the following changes from the continuing resolution level and from last year's administration request for fiscal year 1979. For VISTA the administration is asking an $11.9 million increase over the current level, and a $1.35 million increase for part C demonstration programs—although these figures are $1.1 million and $5.3 million less respectively than were initially requested for fiscal year 1979 for these programs.

For UYA, the fiscal year 1979 request now is for $1.7 million as opposed to a zero request 1 year ago for fiscal year 1979, and a zero request for fiscal year 1980.

For the title II older American volunteer programs, the administration is requesting for fiscal year 1980 a $10 million increase over the current level—an increase of $15 million over the amount initially requested for fiscal year 1979.

Finally, for the new urban initiative, the administration now requests for fiscal year 1980 only $25.457 million as compared to its initial proposal of $40 million for the new program.

The subcommittee plans to hold oversight hearings in May on the title II older american volunteer programs. Today, we will concentrate largely on the title I national volunteer antipoverty programs.

Because the existing activities to be reauthorized for fiscal year 1979 by this legislation are currently funded at a standstill fiscal year 1978 level, I plan to bring S. 239 before the subcommittee as soon as possible and to move it promptly through the legislative process in the Senate. However, it may be necessary to hold an additional hearing.

The volunteer participants and the individuals and communities with whom they work deserve congressional recognition and support. They have been dangling in limbo since last October 1. It's time for us to move to enact the authorizing legislation that will provide additional years of volunteer service and productivity throughout the Nation.

There is one final comment I want to make concerning the administration's urban proposal. I introduced the administration's bill, by its request, and I have retained the modified urban volunteer initiative in my own bill, S. 239. However, as I indicated at our hearing on Tuesday on S. 4, the proposed Child Care Act of 1979, I am committed to moving toward a balanced budget. I do not believe that we should abandon our commitment to deal with the problems of our elderly, disabled, or poverty-stricken citizens, or the problems of working parents and the needs of their children.

However, whenever I support a new program, I intend to make cuts elsewhere in the budget. I certainly do not believe that we should be embarking on any new Federal programs at this time unless—at a minimum—there is a firm and clear expression of support for it, such as there clearly has been for S. 4.

I fully intend to keep an open mind as we consider the urban volunteer proposals, but I will be examining very carefully whether there really is broad-based support for them in the communities to be served and whether the $25 million being proposed by the President might not better be spent in other areas where the need and support has been clearly expressed, or not spent at all.

At this point we welcome you and those with you. I wish you would introduce them.

STATEMENT OF HON. SAM BROWN, DIRECTOR, THE ACTION AGENCY, ACCOMPANIED BY JOHN LEWIS, ASSOCIATE DIRECTOR, DOMESTIC AND ANTI-POVERTY OPERATIONS; MARGE TABANKIN, DEPUTY ASSOCIATE DIRECTOR, VISTA; HELEN KELLEY, DEPUTY ASSOCIATE DIRECTOR, OLDER AMERICAN VOLUNTEER PROGRAMS; EMERSON MARKHAM, DIRECTOR, BUDGET DIVISION, OFFICE OF POLICY AND PLANNING; DANA RODGERS, DIRECTOR, PLANNING, OFFICE OF POLICY AND PLANNING, A PANEL

Mr. BROWN. Thank you, Mr. Chairman.

In anticipation of trying to cover the agenda today, I will try to be brief.

On my far left is Helen Kelley, the Deputy Associate Director of the older American volunteer programs.

To her right is Marge Tabankin, Deputy Associate Director of VISTA and ACTION education programs.

To my immediate left is Emerson Markham, the Director of the Budget Division of the Office of Policy and Planning.

To my right is John Lewis, the Associate Director of Domestic and Anti-Poverty Operations, and to his right is Dana Rodgers, the Director of Planning in the Office of Policy and Planning.

Senator CRANSTON. I would like to have your testimony in the record.

Mr. BROWN. I try only to make mistakes once. Last year was my turn on that one.

I have submitted an opening statement; I would like to summarize it briefly, and then we can go directly to your questions.

I am pleased to be here. We now have 270,000 volunteers working in the various programs in the ACTION Agency.

As the chairman suggested, these volunteers find themselves in somewhat of a state of limbo, not certain as to the continuation of programs or their level of funding.

We are here to request authorization for the domestic volunteer programs including the urban volunteer programs.

All of our programs represent a philosophical commitment to development which begins at the local community, and is responsive to the needs of the people in the community, not enmeshed by an administrative mechanism administered by Washington.

Our programs in many ways complement the macro programs in our society, including the jobs programs and other major dollar programs, by being micro programs, which come from the community.

They reflect a belief on the part of the administration that poor people should not be seen as part of the problem but rather as part of the potential solution to many of the problems of our society.

It is rooted in the most basic of American values: equality, participation, self-reliance, and in the American tradition of helping one's neighbors. A sense of genuine neighborliness underlies many of these programs.

OLDER AMERICANS VOLUNTEER PROGRAMS

As the chairman pointed out, our older American programs have already been reauthorized. The administration has a very strong commitment to these programs.

We heard the voice of Congress speaking over many years in support of the older American programs. It was last heard this past year in the request from the administration for an increased level of stipends, and also for transportation and administrative increases. These increases have long been sought by the Congress, but were not in the past recommended by the administration. There is also a request for some increases in the retired senior volunteer programs (RSVP), particularly in the transportation and training expenses.

Last year, as the committee is aware, we initially recommended a cut in RSVP. During the course of the past year, as a result of that recommendation, there was substantial encouragement from the Congress and from many people involved in the program to come and see what the RSVP volunteers were doing that we spend more time seeing what could be accomplished through RSVP.

We analyzed what RSVP volunteers are doing and their contribution to society. It became very clear to me and to the administration that RSVP is a program worthy of congressional and administration support.

Consequently, you see a clear reversal of the administration's position from the position of last year. This is not a reversal based on political expediency, but on a clearer understanding of what RSVP is doing, and been done.

We think the RSVP program has an opportunity to provide a level of service and commitment which positively changes old people who are too frequently seen as part of the problem and makes them part of the solution for America's ills.

We support RSVP strongly, and encourage your support. Later today I will be seeking the support of the Senate Appropriations Committee for that program.

We have also worked to integrate the concerns of our older American programs with other ACTION programs; 40 percent of the RSVP projects surveyed last year had links to other ACTION programs. For example, 50 RSVP volunteers and a smaller number of the senior companions have worked with VISTA to obtain retroactive SSI payments for older Americans who had been entitled to, but had not received them.

VISTA

VISTA is the primary focus of today's hearings. We have made a strong commitment that the VISTA volunteer program should be in the business of attempting to alleviate the conditions of poverty.

We have not deviated from that congressional mandate. We intend to carry it out.

In a remarkable statistic that was developed as a result of our evaluation surveys of VISTA volunteers, it is clear that approximately 1 out of every 20 poor persons is reached by a VISTA volunteer.

One VISTA volunteer in Minnesota, who is in fact an older American VISTA volunteer obtained more than $100,000 worth of funding for a senior program, organized a 10-county discount buying program which serves more than 3,000 elderly people, and helped senior citizen organizations to bring about a $31 million cut in utility rates.

VISTA is as nonbureaucratic as any Federal program can be. That is part of the reason we have had some success. It comes not out of Washington but from the communities themselves.

VISTA, I also believe, is a program that is very well and tightly managed. We have begun an increased training program, which will increase volunteer training by an additional 6 days.

We have established a competitive process for selection of national grants. We have provided better health care for the VISTA volunteer.

On the administrative side, VISTA is getting better all the time. It had its problems, and I will not deny them. Many of them were inherited and we have spent the last several years taking corrective action.

We propose to add an additional 800 volunteers; 210 will be community development volunteers who will receive greater training with the anticipation that they will make a 2-year commitment.

URBAN PROGRAMS

The urban programs really are a continuation of the war on poverty and are also a part of the President's urban partnership program.

For the first time neighborhoods are seen as legitimate players in the development of urban policy. The urban programs which we have recommended to you today are substantially improved over last year's proposals, although last year we thought they were good programs, as did the Senate.

•We have been able to make further cuts in the administrative costs without cutting the effectiveness of the management of the urban program.

They are, in the view of the administration, noninflationary programs. For every dollar spent, there is a multiplier of resources in the community.

They are adequately staffed, as you will hear later but they are low in administrative costs. They are nonduplicative.

The administration's proposal specifically has provisions to insure that we work in a cooperative fashion with the community ACTION Agencies around the country, and that no services will be duplicated.

ACTION's urban program is based on the fundamental belief that strong neighborhoods make prosperous cities. We need to preserve neighborhoods before they are in total disrepair and cost vast amounts to bring them back to a state of liveability.

There are three urban programs. The technical and management assistance program provides an opportunity for skilled and profes-

51

sional volunteers to work with low income neighborhoods, providing management expertise such as accounting and legal skills to neighborhood groups and organizations. The fixed-income consumer counseling program provides an opportunity for volunteers to work with low income individuals by helping people to see how to get more for their money by providing counseling skills on buying opportunities, food opportunities, clothing opportunities, and other programs which might be available to them.

It is a purely voluntary, part-time outreach program to the community. It reaches those people who are poor and consequently hardest hit by the inflation which hits everyone.

There is also the good neighbor fund, which provides small, one-time transfusions of financial assistance to neighborhood groups. These one-time shots are to turn over the motor once. Neighborhood groups doing some self-help projects sometimes need a little bit of an infusion of resources on the front end.

ACTION EDUCATION PROGRAMS

The other programs which will be considered this morning are the ACTION education programs. The Agency shares with the chairman of this committee and with the Congress a longstanding commitment to service-learning programs. There are two ACTION programs, the national student volunteer program (NSVP) and university year for ACTION (UYA). We recommended a substantial increase in the level of funding for NSVP and believe that program should stand on its own, have its own legislative history, and not be linked to any other program. We believe RSVP's long and successful track record merits that kind of consideration.

The second program is the university year for ACTION. We propose to continue the authorization for the program but request funding only through the third quarter of fiscal 1979. We now have four UYA demonstration grants funded in fiscal year 1978. We intend to analyze those grants during the course of this year. If the analysis is positive and strong we will then consider funding of UYA in fiscal 1981.

But in fiscal 1980 there is no request for UYA funding. The $1,700,000 which is included in our fiscal year 1979 plan is a change from the zero funding originally proposed. This insures funding under the continuing resolution until the Congress has acted on our supplemental fical year 1979 budget requests.

We, in fact, of course, intend to fund as Congress directs.

MANAGEMENT

Finally, I would like to end by saying in the past year there were some distinct improvements in the Agency which I would like to draw to the attention of the committee. On the management front, for the first time in the history of the Agency, we had an accounting system approved by the General Accounting Office. That never happened before.

We now have status of funds reports that are on time and accurate. They had never before been done in a timely and accurate fashion.

We have instituted a Peace Corps reservation system, and computerized it in a way that speeds our processing the potential volunteer while freeing up staff people to deal with the applicant rather than the paper.

We have filled our staff vacancies overseas and at home in a timely fashion. The Congress has been highly critical of our failing to fill professional staff vacancies in a timely fashion.

The basis of the congressional criticism historically was that it took the Peace Corps over 300 days to fill a vacancy, frequently leaving the volunteers with less supervision and direction than they deserve.

We have solved that problem.

I want to speak to our record in the past year on affirmative action in the Agency. It is a substantial achievement, and it is a proud record. As the committee may know, there was an outstanding class action suit against the Agency 2 years ago, left from a previous administration. That class action suit has been settled. At the time this administration came into office there were 27 discrimination suits against the Agency for either race or sex discrimination. Only four of those cases are left to be closed.

The first year 14 cases were closed. Twenty of those cases were resolved in 1978. Instead of having 27 cases, many of them very old, we now have 6 cases, all of them current and under consideration in the area of equal opportunity employment.

Senator **Cranston**. Would you give us a copy of the settlement document?

Mr. **Brown**. Yes, of course.

[The document referred to follows:]

Question. What were the results of the class action cases against ACTION? (Provide settlement documents.)

Answer. The class action suit was filed on June, 1976 by a class representing all black employees at grade GS-9 or its equivalent and below who were employed at ACTION from March, 1976 on. A settlement document was agreed upon and mailed to over 550 members of the class for comment. No objections were received and the stipulation was approved by the Court on February 7, 1979. ACTION did not admit any practice or pattern of discrimination on the basis of sex, race, religion and national origin. The stipulation appoints the Director of the Office of Compliance as Administrator of the Stipulation. The stipulation provides that members of the appropriate class have 90 days to file a claim of discrimination based on race or sex with the Administrator, who then has 30 days to attempt conciliation of the claim. If conciliation is not possible, the claimant has the right to a hearing before an independent Hearing Examiner, who is authorized to award appropriate relief if discrimination is found, including promotion or back pay. The decision of the Hearing Examiner will be final and may not be appealed in court.

The stipulation also provides that ACTION will hire an independent third party consultant to analyze ACTION's processes and procedures relating to recruitment, selection and promotion of positions GS-9 and below. All ACTION employees who supervise 3 or more employees at GS-9 or below will take a course approved by the Office of Personnel Management in Equal Opportunity policies within nine months. ACTION will identify each minority employee eligible for promotion who has been in his or her respective grade 25 percent longer than the average time in grade for nonminorities in the same grade, position and office.

The Administrator will file annual reports on the implementation of this settlement; and will meet annually with the Director of ACTION to ensure continued compliance with the settlement agreement. For a more detailed statement, see attached settlement documents.

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

LILLIAN T. GARNES, et al.,
Plaintiffs,

v.

SAM BROWN,
Defendant.

Civil Action No. 76-0574

FILED
FEB - 8 1979
JAMES F. DAVEY

ORDER

WHEREAS counsel for the parties have entered into a Proposed Stipulation of Settlement; and

WHERFAS a hearing was held on January 12, 1979, and no objections were made to the Proposed Stipulation of Settlement; and

WHEREAS the Court is of the opinion that the Proposed Stipulation of Settlement is fair and just and should therefore be approved by this Court;

It is therefore, by the Court, this 7th day of February, 1979 hereby

ORDERED that the Proposed Stipulation of Settlement dated October 5, 1978 be approved; and it is further

ORDERED that defendant shall serve a copy of this Order and the Proposed Stipulation of Settlement upon each member of the class of plaintiffs on or before February 15, 1979.

Thomas A. Flannery
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

LILLIAN T. GARNES, et al.,
Plaintiffs,

v.

SAM BROWN,

Defendant

Civil Action
No. 76-0974

STIPULATION OF SETTLEMENT

On June 2, 1976, eight ACTION employees and the ACTION Employees Union, Local #2027 (AFSCME),[1] filed this action in the United States District Court for the District of Columbia challenging certain employment practices at ACTION as racially discriminatory. The plaintiffs sought to bring this action not only on behalf of themselves but also as a class action on behalf of other similarly situated blacks and women.

The plaintiffs alleged, inter alia, that ACTION's employment practices violated Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §2000e et seq. ACTION denied these allegations and continues to deny it engaged or has engaged in any pattern or practice of employment discrimination.

On February 22, 1977, the Court certified this case as a class action and defined the class of individuals as all current black employees of ACTION at the level of GS-9 and below.

On March 29, 1977, the Court amended its order so that the following class was certified:

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[1] The plaintiff union and certain individual plaintiffs (Lloyd, Foster and Mitchell) were dismissed as parties on September 15, 1976.

> All current black employees of ACTION at the level of GS-9, or its equivalent, and below, and all blacks employed at ACTION anytime between March 1976 and the present at the level of GS-9 or its equivalent, and below.

The parties have resolved these matters through agreement and have concluded that it is in the best interest of all concerned and in the interest of justice to settle this action in the manner and on the terms set forth in this stipulation.

Following the Court's provisional approval of this Stipulation, appropriate notice of its terms was mailed to each class member on November 17, 1978, in a manner approved by the Court. Class members were given reasonable opportunity to object thereto at a hearing before the Court. No objections were made, and the Court finally approved this stipulation on February 7, 1979.

This Stipulation is entered into voluntarily by ACTION[2] in order to reaffirm its policy of employing, utilizing and promoting the best qualified individuals possible without regard to sex, race, religion, national origin, and as an effort to respond to allegations that certain minorities have not been fairly treated in ACTION's workforce.

I. CLASS REPRESENTATION

The parties stipulate to final class certification by the Court and this Stipulation applies to a class consisting of all current black employees of ACTION at the level of GS-9, or its equivalent, and below, and all blacks employed at ACTION anytime between March 1976 and the date of the Court's approval of this Stipulation (February 7, 1979) at the level of GS-9, or its equivalent, and below.

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[2] The term "ACTION" in this document includes the Defendant Sam Brown.

II. SCOPE OF SETTLEMENT

This settlement agreement applies to all remaining named plaintiffs and all class members including those class members who were originally named plaintiffs to this action but who have been dismissed in that capacity only.[3]

III. NON-DISCRIMINATION

1. Without admitting any practice or pattern of discrimination of any kind, ACTION, its officers, agents, employees, and all persons in active concert or participation with them or at their direction, shall hire and assign applicants for employment and shall promote, train (to the extent training is offered), discipline, demote and dismiss employees on the basis of individual merit, without regard to race or sex, and without engaging in any act or practice which has the purpose or the effect of illegal discrimination against any individual because of his or her race or color. Consistent with this obligation, ACTION will make additional efforts to find and extend offers to qualified minority and female applicants and to insure that all employees receive the types of assignments and delegation of responsibility required for promotion.

2. ACTION will not engage in acts or practices constituting a reprisal of any kind against any member of the class because of the member's opposition to any practice declared unlawful under Title VII or because of filing of a charge, giving testimony or assistance, or because of participation in any manner in any investigation, proceeding, or hearing under Title VII, or because of any assertion of rights under this Stipulation.

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[3] This includes Alberta Mitchell, William Foster, Wilma Lloyd and Jean Smith.

IV. ADMINISTRATION

1. ACTION shall appoint Mr. Raul H. Rodriguez, Assistant Director for Compliance of ACTION, as Administrator of this Stipulation. The Administrator will have the supervisory responsibility for ACTION's compliance with this Stipulation and will be accountable only to the Director of ACTION and the Court in the exercise of this responsibility. In the performance of all duties under this Stipulation, the Administrator shall consult with, and obtain the advice of, ACTION's Director of Equal Employment Opportunity. Should Mr. Rodriguez be unable to serve as Administrator, ACTION, after consultation with counsel for plaintiffs, shall appoint a successor Administrator acceptable to plaintiffs' counsel. Because of the judicial nature of this position, the Administrator shall not discuss any individual claim with any party unless both ACTION and the claimant are represented at such conference.

2. For a period of two years following the Court's approval of the Stipulation (February 7, 1979), the Director of ACTION shall meet annually with the Director of Equal Employment Opportunity at ACTION, the Administrator, and the heads of each of ACTION's major operating offices,[4] within sixty (60) days following the submission of the reports required by this Stipulation to measure the Stipulation's effectiveness, and to ascertain what each office head has done in the preceding year to insure that the object of the Stipulation has been met.

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[4] These "offices" include the Office of General Counsel, Office of Legislative and Governmental Affairs, Office of Accounting and Finance, Office of Recruitment, Office of Domestic and Anti-Poverty Operations, Office of International Operations, Office of Voluntary Citizen Participation and Office of Policy and Planning.

V. PERSONNEL STUDY AND TRAINING OF EMPLOYEES

1. Within sixty (60) days of the Court's approval of this Proposed Stipulation of Settlement (February 7, 1979), for the purpose of assuring that ACTION's recruitment, selection and promotion of employees are performed in a non-discriminatory fashion, ACTION will retain an independent third party consultant who is experienced in evaluating Federal personnel systems who is satisfactory to plaintiffs' counsel. The consultant will undertake an analysis of procedures and processes relating to recruitment, selection and promotion of all positions in ACTION at GS-9 or its equivalent and below. In conducting the study the consultant will (1) review all available pertinent written documents published by ACTION that relate to recruitment, selection and promotion; (2) interview key ACTION officials, supervisors and employees for the purpose of obtaining opinions, suggestions and criticisms of these particular personnel practices; (3) examine issues relating to training, career laddars, upward mobility program, grievance procedures and EEO procedures to the extent these areas have a direct impact on recruitment, selection, and promotion of employees in the ACTION Agency; (4) prepare a written report for presentation to the Administrator within 180 days from the date the consultant is retained which sets forth the findings resulting from the analysis and provide, as necessary, recommendations for corrective action with an estimate of the related costs for such corrective measures.

The Administrator shall have full authority to implement any or all of the recommendations of the consultant which comply with existing statutes and regulations. Such implementation shall take place within 90 days of the date of the completion of the consultant's report. If the Administrator does not concur with one or more of the consultant's recommendations, he shall inform plaintiffs' counsel of such nonconcurrence, setting forth his reasons in writing. Plaintiffs' counsel shall then have the right to request the Court, within 30 days, to review the Administrator's determination and reasons for not adopting any of the recommendations of the consultant. If the Court finds that the Administrator's reasons for not adopting any of the consultant's recommendations do not have a substantial basis, the Court shall direct the Administrator to put any such recommendation into effect.

2. Each ACTION employee who supervises three or more employees who are at the GS-9, its equivalent, or lower level, shall take a course approved by the Office of Personnel Management in Equal Opportunity policies within nine months of the Court's approval of this Stipulation (February 7, 1979). Thereafter, any employee of ACTION who becomes the supervisor of three or more employees at the GS-9, its equivalent, or lower level, will be required to take such a course within one year after assuming the responsibility for supervising a third GS-9, its equivalent, or lower level employee.

3. ACTION shall establish a data retrieval system by which the average time-in-grade at each General Schedule level or Foreign Service Staff or Foreign Service Reserve level in each office may be ascertained. This information will be available, in aggregate form, to plaintiffs' counsel upon request. ACTION shall upon request provide plaintiffs' counsel with information (but not the names of the employees involved) including the location, grade and position of each black male and black female employee eligible for promotion who has been in grade twenty-five percent longer than the average time-in-grade for non-minority employees in the same grade, position and office.

4. ACTION shall take all reasonable steps to insure that black and female employees are given work opportunities and assignments consistent with their abilities which provide them with the experience necessary for promotion, pursuant to applicable Office of Personnel Management regulations.

5. All supervisors of ACTION will be specifically evaluated each year on their efforts to promote equal employment opportunities in hiring, promotions, and work assignments.

VI. INDIVIDUAL RELIEF

1. Any individual who files a claim pursuant to paragraphs 2-4 below shall do so in the form of a sworn written statement setting forth with particularity any facts which he or she believes support his or her claim of race or sex discrimination. The statement shall set forth the specific manner in which the claimant feels he or she has been discriminated against (e.g., failure to train, detail, assign, or promote, wrongful termination, resignation caused by discrimination). All claimants shall indicate the official or officials responsible for the alleged discrimination, if known, and when and where it occurred. If the claimant is aware of documents or witnesses with information relating to the claim, they should be identified.

2. Any individual who feels he or she has been discriminated against within the period commencing two years preceding the filing of the complaint in this action (June 2, 1976) because of his or her race or sex, may submit to the Administrator a sworn claim within ninety (90) days of the date of the Court's approval of this Stipulation (February 7, 1979). The Administrator shall then have thirty (30) days from the filing of the claim to attempt to conciliate the claim.

3. If, after the period for conciliation, no resolution is reached under subparagraph 2 of this section, the Administrator shall forward the claim file to an Independent Hearing Examiner who will review the claim and other relevant evidence. The Examiner, in his or her discretion, will collect appropriate information, affidavits, and shall hold a hearing if requested by the individual claimant or by ACTION, on any individual claim. All hearings on individual claims shall be heard by the Examiner within sixty (60) days of the receipt of such claims from the Administrator. In collecting necessary information, the Examiner may be assisted, at the Examiner's discretion, by Investigators for ACTION's Office of Inspector General and/or individuals hired by ACTION to perform such tasks. The Examiner shall issue final settlements of all claims submitted to him or her within 30 days of the date of hearing. The burden of proof at hearings before the Examiner shall be the same as would be required in a judicial action under Title VII in which discrimination is alleged.

4. The Hearing Examiner shall be chosen by ACTION and plaintiffs' counsel within 60 days of the approval of this Stipulation (February 7, 1979) in any manner in which they agree upon. Both ACTION and plaintiffs' counsel must agree on the choice of the Hearing Examiner and the terms and conditions of his employment prior to submitting any claims to him/her under the foregoing procedure. ACTION will bear the expenses of the Examiner. ACTION will pay reasonable attorneys' fees for all individuals who prevail in their claims before the Examiner in an amount determined by the Examiner. No party shall contact or discuss with the Examiner any issue regarding the individual claim unless both ACTION and the plaintiffs are represented at such meeting, conference or hearing.

5. If the Examiner finds the discrimination claim has been substantiated, the claimant may be awarded appropriate relief, which may include, inter alia, an offer of employment or promotion or reinstatement, if positions are available, and back pay for the period of time beginning when it is determined the discrimination arose, in accordance with the provisions of applicable laws and regulations. If the discrimination claim is not supported, the Examiner shall deny the claim.

6. Each claimant shall be entitled to be assisted or represented by counsel of his or her choice in preparation of his or her claim and in any proceedings before the Administrator and/or Examiner. However, it is the mutual contemplation of the parties that such proceedings shall, insofar as possible, be informal in nature and that the parties would ordinarily not need to be represented by counsel. The Administrator (in cases not proceeding to a hearing) and/or the Examiner may provisionally award to a prevailing claimant, reasonable attorney's fees and costs for services necessarily incurred.

7. The remedy afforded in the preceding paragrpahs is exclusive and the decision of the Examiner is final and without any right of appeal. It is the understanding of the parties that any individual claim referred to the Examiner is done with the consent of the parties.

VIII. REPORTS

On March 1, 1980 and March 1, 1981, ACTION shall submit reports to plaintiffs' counsel and the Court covering the preceding calendar year. The Administrator will be primarily responsible for the preparation of the reports. The reports shall list separately for each group of employees in the grade levels covered by the Stipulation the following information insofar as such information can reasonably be ascertained.

1. Promotions

a. Total number of promotions.*

b. Total number of (1) male promotions, (2) female promotions, (3) black male promotions, and (4) black female promotions.*

c. Total number of employees at each GS, FSS and FSR level (by office, region or country, and by occupation).

d. Total number of (1) male employees, (2) female employees, (3) black male employees and (4) black female employees at each grade level (by office, region or country, and by occupation).

2. Separations from Service

a. Total number of employees separating.*

b. Total number of (1) male employees, (2) female employees, (3) black male employees, and (4) black female employees separating.*

c. For separating (1) male employees, (2) female employees, (3) black male employees, and (4) black female employees, information revealing whether the separations were voluntary or involuntary and the reasons given, which does not reveal the identity of any individual.

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*By office and by grade.

VIII. CONVENANT NOT TO SUE

1. Except as otherwise provided, the plaintiffs and all class members hereby waive, release and convonant not to sue ACTION or its agents with respect to the matters which were alleged as charges in this suit involving acts or omissions occurring before and including the date of the Court's approval of this Stipulation (February 7, 1979) subject to the performance by ACTION of the terms of this Stipulation.

2. This Stipulation is in full and complete disposition of allegations in the complaint and concludes all charges of race or sex discrimination by any plaintiff and class member allegedly occurring prior to and including February 7, 1979, except the individual claims as are actually pending on that date. Class members with pending individual claims may elect to proceed under the procedures set forth in paragraph V of this Stipulation or may elect to proceed under Section 713 of Civil Service Regulations. However, such class members must elect either one procedure or the other and once such election is made, it is binding on the claimant.

IX. MISCELLANEOUS

1. ACTION's Office of Equal Employment Opportunity shall inquire of departing black and female employees to determine if separations are due, or believed to be due, in part to the lack of equal employment opportunity, and to determine if and how management practices can be improved.

2. The time periods referred to in this Stipulation may be altered upon agreement of plaintiffs' counsel and ACTION.

X. COSTS AND ATTORNEY'S FEES

ACTION agrees to pay reasonable attorney's fees, costs, and expenses in amounts approved or determined by the Court, for work performed by plaintiffs' attorneys incurred in connection with this action.

XI. JURISDICTION

The Court shall retain jurisdiction of this action until February 7, 1980 for the purpose of issuing additional orders or decrees needed to effectuate, clarify, or enforce the full purpose and intent of this Stipulation. In the event that any party's ability or authority to carry out the provisions of this Stipulation drawn into question by subsequent laws or court decisions, prior to February 7, 1980, on due notice, any party shall have the right to petition the Court for relief from or modification of the terms of this Stipulation.

Stipulation date: February 7, 1979

Signed

LAWRENCE SPEISER
Attorney for Plaintiffs

Signed

EARL J. SILBERT
United States Attorney

Signed

ROBERT N. FORD
Assistant United States Attorney

JASON KOGAN
Assistant United States Attorney

Signed

HARRY N. MacLEAN
General Counsel, ACTION

Signed

JAMES L. ANDERSON
Associate General Counsel, ACTION

Attorneys for Defendant

APPROVED:

UNITED STATES DISTRICT JUDGE

Approval date: February 7, 1979

Mr. **Brown**. The Agency is proudest of the change in hiring practices at the appointive level, the levels where there is discretionary selection. In the past 2 years, approximately 34 percent of all appointments have been minority individuals. They are highly capable people who are a real asset to the Agency. We are proud to say that among Federal agencies we probably have one of the best, if not the best, records in affirmative action.

It is not only affirmative action with regard to minority employees at the Agency, but also with regard to women. More than 40 percent of the appointments made by this administration at the Agency have been women.

That is approximately a quadrupling of the past record in the Agency. We are very proud of it. Not only in numbers but wage-grade levels, where there have been substantial increases.

On the volunteer front, nearly 25 percent of the VISTA volunteers are minority volunteers and 15 percent are older Americans. We have a commitment that by 1982, 20 percent of the Peace Corps volunteers will be minorities.

It has never been more than 5 percent in the past. We want our volunteer force to reflect America, not just one segment of America, but to reflect the broad segment of committed Americans.

We are going to make that happen, and we are well on our way. That is not to say we have resolved all of the problems. Poverty persists. It is not only a poverty of dollars, but in my judgment, a spiritual poverty. The volunteer spirit is an important way that the Government can say, we respect the spirit and moral commitment of Americans who help make this a better society. We intend to overcome not only the poverty of economics which keeps people poor, but the poverty of spirit that says it does not matter what you do.

We try to say it matters. We value what you do. We value your commitments. We are proud that we give people a positive role in changing the problems that affect this society.

We are pleased that the Congress has supported us in that. We look forward to continued support.

Senator **Cranston**. Thank you, I appreciate that very much.

Senator Humphrey, since you have to leave, do you want to proceed first.

Senator **Humphrey**. Since I didn't make an opening statement, let me welcome those who have come up to spend some time with us, and for the time you spent in preparing your testimony.

I have a few questions, prepared questions, for Mr. Brown.

You have requested that $170 million budget for 1980. This is an increase of $50 million, or 43 percent, over the 1979 budget.

How can you defend this at a time when other departments are being asked to keep their increases to a minimum, or are being asked not to ask for increases at all?

Mr. **Brown**. Senator, the increase, while quite substantial compared with the current level under the continuing resolution, is not such a dramatic increase over the administration's original request for 1979.

We had proposed a substantial increase in 1979 which, because of the continuing resolution, we don't now have. While the numbers are quite startling, again, our continuing resolution situation must be remembered.

It is an increase, I think, from the $130 million request we submitted originally for fiscal year 1979. This is still a substantial increase, largely accounted for by the $25 million in the new urban program.

So putting the numbers in perspective there is less of a difference between our fiscal 1979 request than 1978, which was the basis of the currently operative continuing resolution.

The fiscal year 1980 budget strongly reflects a concern by the administration in balancing the budget.

As a consequence, at every step of the way, as our budget was developed, it was considered against other priorities. I would say there are two fundamental elements in determining ACTION's budget.

First, the administration believes ACTION's programs are highly cost-effective and, at a time of inflation, important programs to support, because they call on not only Federal resources, but volunteers in the community. They generate substantial value beyond their cost.

That was one consideration that the administration examined.

A second, relating to the urban programs, is that they are programs focused on neighborhoods which have become an important aspect of urban policy determinations, and we think rightly so. The Federal Government has a role in providing opportunities for neighborhood self-help.

We do not intend that these programs should replace other programs, but rather that they should be a legitimate supplement that allows people to participate.

Senator HUMPHREY. How do you justify the new urban volunteer program? That will cost about $30 million.

Mr. BROWN. Mr. Rodgers, the head of the planning division, can talk about them in some detail. But let me say that the urban programs are a part of what the President referred to as a new partnership. They bring in a new and frequently unheard partner, the neighborhoods. These programs are designed to focus on how people can become involved in their own neighborhoods.

Just to give you one statistic, a Gallup poll showed that approximately two-thirds of all urban residents, many of whom were dismayed by the condition of the cities, said they would be willing to volunteer to improve the conditions of their cities.

What we try to do is provide the linkage mechanism to allow people to volunteer, to help their cities.

Mr. RODGERS. When we look at this program we are very concerned about inflation. And as we looked at all of our volunteer programs, we came to realize that volunteers are really an anti-inflationary force.

There has been a recent census estimate that shows the voluntary sector contributes about $100 billion each year to the national welfare. This is not included in GNP projections. For this reason, we feel these are anti-inflationary programs.

In the case of the urban programs, let me give an example. With regard to self-help house rehabilitation, sometimes called "sweat equity," there have been estimates that this could save folks up to

30 to 50 percent of renovation costs in restoring homes in poor neighborhoods.

This is the type of activity the urban programs will support. We also feel that urban gardens, a concept we have supported will reduce grocery bills.

Mr. Brown, in his opening statement, made allusions to the fact that the cost-benefit ratio we calculate will be highly positive.

Later on, you will hear from some community witnesses who have been working in urban neighborhoods, and are far better equipped to answer than we in Washington. But our calculations are that urban volunteer corps volunteers will generate an 11 to 1 cost benefit ratio. For every $1 invested in this program, there will be $11 in benefits to the communities, in terms of skills that professional volunteers will be providing.

Senator HUMPHREY. Will you tell us something about the National Youth Service which you propose to set up that will cost taxpayers $2.5 million?

The information we have is rather sketchy and vague.

Mr. BROWN. The proposal which you have before you is principally to do research in the coming year with regard to the potential for a national youth service, not in fact to set up a national youth service.

Dennis Derrick, who is the Deputy Director of the Policy Planning Office, is here and can discuss the program in detail.

But let me say we have in the past year been operating a program from the funds of the Department of Labor under a cooperative agreement to provide youth service opportunities in Syracuse, N.Y.

The core of the idea behind the National Youth Service, its philosophical base, is that young people share responsibility for what happens in this society. We are not talking about simply a jobs program, but a service program that involves people in the life of the community, and gives an opportunity for them to share their skills with a broader community.

We are not simply working with a narrow definition of a jobs program, but the much broader definition of opportunity.

A study conducted by the Potomac Institute under Harris Wofford and Jacqueline Wechsler has just been released. It says there is a need for a national youth service. The administration has been considering this issue. In light of the recent discussions of military conscription including conscription in peace time, the national service question can be expanded to deal with how people can serve the country in other than military ways. These are concerns that the proposal before you is to examine. Mr. Derrick can provide details.

Senator HUMPHREY. I will submit the balance of my questions in writing.

Thank you.

Senator CRANSTON. Senator Nelson also will have some questions in writing. He was unable to be with us.

Sam, last year's committee report on S. 2617 included several items of unfinished business which I would like to pursue at this time.

In the committee's discussion of the tax treatment of VISTA volunteers, we included a reference to the committee expectation that the ACTION Agency would include in its fiscal year 1980 budget request appropriate proposals to make the tax treatment for VISTA the same as it is now for Peace Corps volunteers.

How have you responded to that?

Mr. BROWN. I think VISTA Director Margory Tabankin can comment on that in detail. We have made some progress.

Ms. TABANKIN. We have not been successful, due to the lack of legislation, for parity for VISTA. We have not been successful within the administration in convincing the Department of the Treasury or the Internal Revenue Service to allow VISTA to be free from taxation.

We understand that should they be tax free, that would add $50 a month more for disposable income, which we understand would be of more use to the volunteers while in service than their getting it all back at the end of the year.

While we are continuing to press forward on that issue, we did combine many of our allowances into a single subsistence allowance which means that we do not have to withhold social security. It gives volunteers about $6 per paycheck additional disposable income as immediate relief, while we continue to pursue the matter with the Department of the Treasury.

Senator CRANSTON. In our discussion of VISTA volunteer eligibility for food stamps, the committee made reference to its expectation that the ACTION Agency should work with Department of Agriculture as it develops regulations to implement Public Law 95-113, to insure that the families of low-income volunteers retain their prevolunteer service eligibility for these benefits.

Would you tell us how the Agency has responded to that expectation?

Mr. BROWN. Actually, we have very recent and quite good news.

Ms. TABANKIN. As you might be aware, the U.S. Department of Agriculture's new regulations, as proposed, would have excluded VISTA volunteers from receiving food stamps.

Under the present procedures, VISTA volunteers receive food stamps, and there is no categorization of low-income volunteers separate from our regular VISTA volunteers.

We are very concerned that the provision in the VISTA volunteer service be accommodated for by the Department of Agriculture. I am happy to say that the Acting Director of Food and Nutrition, Mr. Greenstein, has been very responsive on this subject, and is about to issue new regulations in the Department of Agriculture that protect all low-income VISTA volunteers so that once they enter service, whether they had food stamps prior or not, they will receive food stamps. He is also prepared to issue new regulations—which was communicated to me by phone yesterday—that would allow current VISTA volunteers to continue to have food stamps.

Senator CRANSTON. Would you provide us with the documentation on the negotiations with Agriculture?

Ms. TABANKIN. Certainly.

[The information requested follows:]

Question. What was the result of the Food Stamp Negotiation with USDA?

Answer. ACTION has been notified by the Department of Agriculture that USDA is preparing a change in food regulations which would allow all currently serving VISTA Volunteers to continue to exclude their VISTA allowances for food stamp purposes. New volunteer applicants must be receiving food stamps or public assistance at the time he or she joins VISTA to be eligible for the income exclusion. Attached is a copy of the amendment to the regulations which USDA plans to publish and accompanying correspondence from Robert Greenstein; Acting Administrator, Food and Nutrition Service, USDA.

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON D.C. 20250

FEB 8 1979

Mr. John Lewis
Associate Director for Domestic
  & Anti-poverty Operations
ACTION
Washington, D.C. 20525

Dear Mr. Lewis:

Thank you for your recent letter concerning VISTA volunteers and the Food Stamp Program. Let me assure you that I share your concern about the ramifications of the income exclusion for VISTA payments that is restricted to individuals receiving food stamps or public assistance at the time they joined VISTA.

As you have stated, our intent in developing the list of statutory income exclusions was not to restrict the VISTA exclusion. The May 2 proposed regulation called for an exclusion of all VISTA volunteer payments. However, our final analysis of the legislative history made it clear that our earlier positions may have been legally deficient.

The preamble to the October 17, 1978 regulation cites comments by Senator Dole in the Congressional Record, July 21, 1978, S. 11432-3. Senator Dole was concerned that the Department of Agriculture in particular was in error in applying an exclusion to all VISTA volunteers payments. We did not believe that we could ignore this clear explanation of the intent of the Domestic Volunteer Service Act in the final regulations.

I am interested in your proposal to develop a procedure for easing the transition to the October 17 VISTA exclusion. In fact, the Department is preparing a change to food stamp regulations which would allow VISTA volunteers to continue to receive an exclusion. Only new applicants will be affected by the rule that the individual must be receiving food stamps or public assistance at the time he or she joined VISTA. I am enclosing a copy of the rule which we plan to publish as a final docket.

Please feel free to contact me or Nancy Snyder, Deputy Administrator for Family Nutrition Programs, (447-8982) if you have any questions or comments. I feel confident that this approach will be mutually satisfactory.

Sincerely,
ROBERT GREENSTEIN

Acting Administrator
Food and Nutrition Service

Enclosure

273.9 Income and deductions

* * * * *

(c) Income exclusions. ***

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(10) ***

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(iii) Any payment to volunteers under Title II (RSVP, Foster Grandparents and others) and Title III (SCORE and ACE) of the Domestic Volunteer Services Act of 1973 (Pub. L. 93-113) as amended. Payments under Title I (VISTA) to volunteers shall be excluded for those individuals receiving food stamps or public assistance at the time they joined VISTA, except that households which receive an income exclusion based on eligibility rules for the Food Stamp Act of 1964 shall continue to receive an income exclusion for VISTA regardless of the sequence in participation. Temporary interruptions in food stamp participation shall not alter the exclusion once an initial determination has been made.

* * * * *

Senator **Cranston**. In our discussion on student loan repayments, we included reference to a committee expectation that the ACTION agency would work with the Office of Education and the Veteran's Administration toward an equitable solution to the problem of loan payment deferments.

We asked that such a solution be proposed in the Agency's fiscal year 1980 budget presentation. Would you tell us what you have done to meet that expectation?

Mr. **Brown**. We don't have such good news on that issue.

Ms. **Tabankin**. We have persisted with the Office of Education to try to convince them that we too feel VISTA volunteers should be treated as students, since all of our evaluations show it takes 4 to 6 months for our Peace Corps and VISTA volunteers to reenter the market.

Our Office of General Counsel has recently again requested another review of the equity of the situation, and we are awaiting a response from the Office of Eduation.

Senator **Cranston**. Thank you.

Sam, there has been a problem in the last couple of years in providing support payments to VISTA volunteers during periods when the fiscal year ends and no appropriation has yet been enacted for the ACTION Agency.

Would you tell the committee how the Agency has dealt with the problem in the past, and how you might deal with it should the situation again arise in the future?

Mr. **Brown**. First, we share your concerns. Before VISTA's write the members of the committee, they call the ACTION office. We are very concerned about those volunteers who were left without pay in the past due to the absence of a continuing resolution.

It has devastating impact on the operations of the Agency. Nearly everything comes to a halt while people try to answer telephones and get a little bit of money to the VISTA's.

We have had some success in being able to advance funds against the end of service stipend. But it is inadequate if the lack of continuing resolution extends for a period of more than a week or two, because, unlike Federal employees, VISTA volunteers are paid at the beginning of the upcoming pay period, rather than at the end of the immediate past pay period.

So they get hit immediately rather than 2 weeks later as Federal employees do. It is a very serious problem that we have not been able to overcome.

Ms. **Tabankin**. We have examined switching to a payment-in-arrears system. The problem is that it does not help the newly entering volunteers much more than the stipend advance would.

Senator **Cranston**. To what extent does GSA make available surplus properties such as typewriters and desks to community organizations which are sponsors of ACTION agency programs. Is that done at all?

Mr. **Brown**. I don't know. I would be happy to submit an answer for the record.

Senator **Cranston**. Do you know if there are any statutory impediments to such a process?

Mr. **Brown**. We would have to provide that for the record.

Senator Cranston. Would you check if there are any statutory impediments to that?

Mr. Brown. Yes.

Senator Cranston. If you find that it is appropriate, we should perhaps seek a way of facilitating that kind of arrangement. I would like to have a recommendation on whether or not you feel legislation is required for that purpose.

[The information requested follows:]

Question. To what extent does GSA make available surplus properties to community organizations which sponsor ACTION Agency programs? Are there any statutory impediments to such a process?

Answer. The conditions under which excess property may be provided to grantees are governed by 40 U.S.C. § 483(d). The property must be furnished for use in connection with the purpose of the grant and the Agency must pay into the Treasury 25 percent of the original cost of the property. Title to the property vests in the grantee. These requirements were included in Public Law 94-519, enacted October 17, 1976. Because of the age and condition of much of the excess property which becomes available and which would be useful to our grantees, the requirement that the Agency must pay 25 percent of the acquisition cost to obtain the property is not economically advantageous. Consequently, the Agency has not attempted to obtain excess property for our grantees since enactment of this legislation.

Senator Cranston. During our hearings last year, we discussed the interest of the National Center for Voluntary Action in having the ACTION Agency support a volunteer information clearinghouse.

Mary King indicated that the Agency was having discussions with the United Way about taking over the NCVA clearinghouse operation.

I have a copy of the March 3, 1978, letter to the Agency from the vice president of the United Way in which he indicates that United Way will be unable to provide the quality of support necessary for such a volunteer information clearinghouse.

In light of this, what plans do you have for supporting the clearinghouse in the future, either in-house or through a grant-supported program?

Mr. Brown. I think it is fair to say that we have no specific plans with regard to the clearinghouse. I can say that the principal resources to the work with the private voluntary sector are in fact included in our 1978 and 1979 budget request, which we don't have.

We are still in the fiscal 1978 level of funding. Mrs. Barbara Sugarman of ACTION's Office of Voluntary Citizen Participation (OVCP) who is here, will be able to answer that.

I would like to add that one of the urban programs, the TMA program, may begin to pick up some elements of the technical assistance.

Ms. Sugarman. I have met with a number of national leaders about the concern of the clearinghouse for information on voluntary activities.

There is still a good bit of controversy about necessary information that needs to be provided.

Since United Way did decide not to take action on this particular function, we will try to identify the number of resources that are in existence before we determine whether or not to fund any type of grants in the future on clearinghouse.

Senator **Cranston**. Thank you. Sam, I would like to ask you several questions about the joint Labor Department-ACTION Agency Syracuse project.

But first of all, would you provide us with a short summary of the accomplishments of that project to date, and with a detailed statement for the record?

Mr. **Brown**. Currently, there are approximately 700 volunteers with a plan for approximately 1,200 volunteers by the end of March of 1979.

The diversity of those volunteers is very, very broad. We can provide the statistics for the record. We have a very low attrition rate for that program, under 12 percent, which is substantially less than other employment programs, and compares very favorably with the Peace Corps and VISTA attrition rate.

They are regarded as volunteers in the community. That has been critical in terms of motivation. We have nearly 300 projects spread over a wide range of activities in Syracuse.

I think it is fair to characterize our early problems as serious. I think that is because we gave a great deal of responsibility to the local community. We did not come in and lay a project on Syracuse. They did the project themselves, and as a consequence, I think the spirit in the community is one of full participation.

It is not a Federal program that happens to be in Syracuse. It is a Syracuse program, and we regard that as an important accomplishment.

[The information supplied follows:]

Question. What have been the results of the YCS Syracuse project? (Provide detailed report.)

Answer. YCS organized a new non-profit corporation, established its presence among the youth and the community service network in Syracuse, reinforced the performance of volunteer service in the minority community, generated public recognition of the contribution young volunteers can make to their community, and has given preliminary indications that the YCS model can work in other cities.

THE YOUTH SERVICE CONCEPT

YCS participants are volunteers, not employees. The projects they are involved in resemble internships rather than jobs. Youth are given access to people and experiences that, it is hoped, will broaden them as individuals, while increasing their skills. Youth are awarded a VISTA-level stipend (basically food and living allowance) as opposed to a wage. In a sense the supervisors and agency representatives are also volunteers. They are giving additional amounts of their time to help young people in Syracuse to gain a sense of direction.

The potential YCS participants and project sponsors work together to select an appropriate service "match." The youth are not simply assigned to a particular job or project; in YCS their individual needs and aspirations are taken into consideration. Upon entry into the orientation program, they select a placement and negotiated a contract for service with the sponsor.

Innovative projects and the individual choice provided by the match process appeal to young people. However, a network of supportive procedures and staff were necessary to facilitate timely matching by large numbers of youth who might otherwise be discouraged by a quasi-free market setting.

VOLUNTEERS

YCS has received applications from 2,700 youth out of the estimated 3,500 to 6,000 unemployed and out-of-school young people in greater Syracuse.

YCS had 789 volunteers in service on January 31, 1979. Among those volunteers, 54 percent are women, 72 percent are between 16 and 19 years of age, 57 percent are black, 3 percent are Hispanic, 24 percent head their own families or live independently, and 35 percent are high school dropouts. Most live in the city; 10

percent in the suburbs. Most come from lower-income families; perhaps one-fourth from middle-income families.

The profile gives a preliminary indication of the willingness of minority youth and lower-income youth to participate in stipended community service. Initial skepticism about the appeal of this alternative to these groups of young people may have been exaggerated.

Minority youth participate in YCS to a greater extent than do minorities in ACTION's other volunteer programs.

PROJECTS

Starting from scratch and entirely outside of the CETA prime sponsor network, YCS had developed (again, as of January 31, 1979) 287 projects with 1,384 service opportunities.

Nearly half of the projects are sponsored by private, non-profit community service organizations, and nearly four out of ten were initiated by local government agencies. Six percent were started by neighborhood groups and 3 percent by young people on their own. Eight out of ten projects were located in the city of Syracuse; the rest were in suburban Onondaga County.

Examples of some of the projects in which volunteers participate include: neighborhood revitalization, emergency home repairs, recreation supervision, home health care, bilingual newspaper, evening and home crisis day care, consumer protection research natural resource inventories, and theater and ballet production.

The distribution of basic human needs areas met by these opportunities follows: health and nutrition, 10 percent; knowledge and skills, 27 percent; economic development, 4 percent; housing, 3 percent; energy and conservation, 6 percent; community service, 45 percent; justice and legal rights, 2 percent; and other, 3 percent.

YCS—ADMINISTRATION

The YCS board and staff have taken a unique and complex model, endured their reasonable share of administrative and managerial problems, and succeeded in bringing together youth and community agencies to expand opportunities for community services. Their achievement support the replication of this model in cities throughout the United States.

SUMMARY

From the perspective of young people, a nineteen-year-old woman serving with a community project summed it up:

"I've been in a lot of youth programs, and they stuck you wherever they thought they wanted you to go. At YCS, they make you feel like you're part of things. At YCS, we had a choice and I'm learning more about what I'd like to do for the future.

"They really talk to you. First they put us in groups and talked about our futures and careers. They had this task book and we picked out the places we wanted to go. I really like this program. You meet a lot of people. You learn a lot."

A copy of ACTION's detailed progress report to DOL on the project as of January 31, 1979, will be available for distribution to the Committee by the second week of March.

[The complete text of the interim progress report may be found in the files of the subcommittee.]

Senator **Cranston**. I have before me a copy of a document entitled, "Highlights From the Interim Progress Report of the National Youth Service Demonstration Project."

On page 4, the following statement appears: "The experience in Syracuse to date confirms the problematic of an average American city absorbing the special features of the Youth Community Service model, including resource mobilization and community involvement in support of youth projects."

Would you tell us a little more about some of these problems?

Mr. **Brown**. I think Dennis Derrick, who has been responsible for the program, can best respond.

Mr. **Derrick**. I think the Syracuse project is important because we expected youth to assume responsibilities within particular communities. As adults, we sometimes hesitate to delegate to youth appropriate responsibilities as members of the community.

The concept of the Syracuse project and what youth could do within the community presented difficult problems. For example, there is a difference between a group of people running a tourist information booth—which we viewed as a summer, part-time activity—and the kinds of quality projects which are the goals of YCS.

An example of a quality project would be a group of youth purchasing a post office truck and then operating a moving operation for low-income and welfare recipients. These resources are needed within the community; locating and purchasing a truck and providing that startup money to a particular group of youths.

These types of projects typify the problems of raising resources within the community.

Senator **Cranston**. That same report indicates that the Agency had expected that there would be 1,400 volunteer recruits, a 10-percent attrition rate to 1,250 volunteer service years, and a budget of $7 million.

Have these estimates, in terms of volunteer strengths, been reached?

Mr. **Derrick**. The figure of 1,400 was set by the Department of Labor prior to specific knowledge of youth availability and interest and with the intent of providing sufficient slots to saturate the city of Syracuse.

Now that we are operational, it appears that approximately 1,000 slots are needed and that these slots will be filled by the end of March. It has been proposed that the remaining funds allocated for the extra 400 slots be utilized in a rural project in New York State.

Senator **Cranston**. Does that mean a higher cost per volunteer?

Mr. **Derrick**. No; by the time we have phased in the rural community part of this project, I feel the cost per volunteer will not exceed original estimates.

Senator **Cranston**. I understand that in implementing the Syracuse project, special recruitment efforts were made to attract handicapped youth and those who have been referred by juvenile justice agencies.

What success have you had in these special recruitment efforts?

Mr. **Derrick**. Our special recruitment efforts have been successful and we will provide you with the exact data for the record.

[The following was provided for the record:]

Question. What are the statistics on handicapped and juvenile justice youth involved in the YCS Syracuse project?

Answer. Data for handicapped and juvenile justice youth are only available through December, 1978. Among the 553 YCS volunteers at that time, there were 20 youths who acknowledged on their applications having been through the criminal justice system. They include: (a) 6 referred to YCS by probation or parole authorities; (b) 9 with prior convictions; (c) 2 with pending criminal charges, civil suits, or judgments, (d) 2 with both prior convictions and pending charges; and (e) 1 with a prior conviction who had been referred by probation or parole authorities.

By law, no records of a young person's handicaps may be kept. YCS staff recall that two (2) handicapped youth have become YCS volunteers.

Senator **Cranston**. What has been the experience of people referred from juvenile justice institutions?

Mr. **Derrick**. Of the first 200 youth that were adjudicated, approximately 30 percent were referred from the juvenile justice system. The attrition among this group is the same as the other groups who have not been juvenile offenders.

Senator CRANSTON. Part of the Syracuse experiment involves the recruitment of adults to support the program. How successful was this component?

Mr. DERRICK. In a demonstration effort where a number of concepts are being tested, we expected to find some concepts more feasible than others.

Although the ability to recruit volunteers has been much more difficult than expected, we do have volunteers from the community already working with the project.

Senator CRANSTON. What is the relationship between the Syracuse project and the demonstration for which the agency is seeking $3 million for fiscal year 1980 for the development of a national youth service?

Mr. DERRICK. The Syracuse project represents one type of model of what the National Youth Service might look like: locally based, locally run, locally operated. The research and development that we will be doing will be looking at a larger number of models that will be possible for the National Youth Service. Primarily we will be looking at a number of issues.

For instance, in Syracuse we were concerned about the issue of demand: How many youth in this particular city will request positions within that particular demonstration. So one of the things we will be looking at on a broad scale in the R. & D. has to do with the possible participation rate which will have implications for the size, cost and effect on public employment programs, military manpower, and educational institutions.

Senator CRANSTON. In your budget justification for the nearly $3 million for the National Youth Service you indicate on page 35 through page 37 that the funds will be used for research and development contracts which will collect and analyze and develop material for the National Youth Service.

Will these studies and research involve actual programs like the Syracuse effort, or will they involve paper studies only?

Mr. DERRICK. They will involve primarily paper studies. We do not have additional plans for demonstrations.

Senator CRANSTON. That sounds like a pretty big figure for research.

Mr. DERRICK. The cost of research is not high when you compare it with other R. & D. For instance, on $100 million that was put into R. & D. on the welfare maintenance program. It is proportionate to the size of our effort when we ask for $3 million.

Senator CRANSTON. Without putting you to a lot of paperwork, I would like to have a more detailed answer.

[The information requested follows:]

Question. What is the justification for NYS fund request for research and development?

Answer. ACTION's supplemental budget request for FY 1978 includes $2,736,000 for National Youth Service (YCS) activities. These funds will be primarily used for research and evaluation as follows:

Design, implementation, and support of an NYS advisory/participatory framework	$340,000
Research and analysis of NYS policy issues	851,000
Design and analysis of potential NYS test models	501,000
Design of administrative structure	719,000
Evaluation of the Syracuse project	250,000
Legislative analysis	75,000
Total	2,736,000

ACTION's research and evaluation activities will explore all the issues involved in developing alternative models for a national youth service. It is important, even in the face of reduced government spending in many areas, to pursue this line of research to determine if a national youth service can be an effective means to supplement or replace current efforts to resolve the problems of unemployment and underemployment among the nation's youth (especially minority youth). Research will also center upon the capability of a National Youth Service to overcome patterns of youth alienation in today's society. The possible effects of a National Youth Service on the pool of young people of draft age will also be considered. The results of this research, plus the long-term studies of the Youth Community Service demonstration project in Syracuse, will provide the Congress and the President much of the information they will need to make an effective decision on the efficacy of a national volunteer youth service.

Senator CRANSTON. The $3 million request includes $250,000 for an evaluation of the Syracuse project. Did the Department of Labor provide any funding for the evaluation of this project?

Mr. DERRICK. Yes; however, funding for project evaluation from DOL for the Syracuse project expired on September 30, 1978.

We are requesting $250,000 to complete a successful Syracuse supplementary evaluation.

Senator CRANSTON. Thank you. In connection with this discussion, I will place in the hearing record excerpts from the Report of the Committee for the Study of National Service, "Youth and the Needs of the Nation."

[The Report appears in the appendix.]

Senator CRANSTON. Sam, during our hearings last year we heard from a representative of an ex-volunteer organization who called for greater ACTION Agency support for former volunteers.

You indicated at that time your enthusiasm for providing additional support. Have you requested funds in either the fiscal 1979 supplemental or in the fiscal 1980 budget for funds to develop former volunteer programs?

Mr. BROWN. Yes; we have requested funds, but up to this point, we are still operating at the fiscal 1978 level.

Frankly, I would have to look at the supplemental request.

Senator CRANSTON. Give us that for the record.

[The following was supplied for the record:]

Question. Have you requested funds in either the fiscal 1979 supplementals or in the fiscal 1980 budget for fund to develop former volunteer programs?

Answer. ACTION fiscal year 1979 Supplemental requests a total of $150,000 for former volunteer programs. A portion, $75,000, is requested to implement a skills and interest bank of former volunteers and an additional $75,000 is requested for Outplacement Counseling to set up pilot career development workshops and to develop a manual for setting up and conducting such workshops.

Proposed funding in fiscal year 1980 for former volunteer activities is incorporated as part of agency wide support costs for the Office of Voluntary Citizen Participation (OVCP) which is requesting $1,110,000.

Senator CRANSTON. What activities has the Agency undertaken during the past year to support former volunteer projects?

Mr. **Brown**. There is now a former volunteer project which is doing a number of things. I can provide you with a full list, but among them there is a newsletter called Reconnection which provides opportunities for volunteers to communicate with the Agency and with each other, and to continue an involvement.

There have been a series of former volunteer meetings, and conferences, including meetings in Omaha, San Francisco, and Los Angeles of former volunteers. These have been attended by senior personnel from the Agency, including myself.

We have increased some the outplacement counseling of terminating volunteers, but, frankly, it is weaker than it should be, in my judgment. That is largely a function of funding.

We have given a small grant to a former volunteer group to work with this issue.

Senator **Cranston**. How do you plan to implement the recommendations of the contractor that performed the former volunteer survey, specifically as those recommendations were presented in the December 8 memo from Mr. Saccomandi to the ACTION Agency on this subject?

[The memorandum follows:]

INDEPENDENT FOUNDATION
Peace Corps and VISTA Alumni for Social Change

December 4, 1978

Memorandum To: Francis Luzzatto, Director, ACTION Former Volunteer Project

FROM: Patrick Saccomandi, National Director, Independent Foundation

SUBJECT: Achieving optimum growth for former Volunteer programs under severe budgetary constrictions - (or, On Preparing Meatless Spaghetti)

The January IF study for ACTION established a framework of needed and desireable ACTION programming for former Peace Corps and VISTA Volunteers. As you know, the ACTION agency endorsed the objectives of these recommended programs, and tentatively committed $250,000 for Fiscal 78/79 for their implementation. Subsequent severe budgetary constrictions in the agency, however, have virtually eliminated any increased funding for former Volunteer programs for this year.

I am here outlining a series of alternatives and suggestions which explore the possibilities for substantially implementing the former Volunteer recommendation, even given the present financial limitations of the agency.

I am organizing these views according to the four major areas of program recommendations made in the IF study:

- Directory Services
- Career Assistance
- Assistance to Peace Corps and VISTA
- Support for Former Volunteer Groups

No doubt, all that is proposed here cannot easily be fulfilled; and, other alternatives certainly could exist. Regardless, much more determination, imagination and co-operation among all those seeking to realize the full potential of former Volunteers is required to meet the challenge of limited financial resources.

I trust that the commitments made by the Independent Foundation in this memorandum exhibit this spirit of constructive support.

I. Directory Services

The directory services - the former Volunteer mailing lists and skills bank - are the foundation for any former Volunteer programming. All the other areas of activity rely on the directory capabilities in order to realize their respective goals.

Much already exists from which to build upon. ACTION has a computer system for storing, up-dating and accessing former Volunteer mailing information. Approximately 35,000 names are now on this system, and ACTION policy permits former Volunteer groups and others to use the system for contacting individual former Volunteers (following specified guidelines to protect each person's confidentiality).

Through a small ACTION grant, the Independent Foundation has created a computer skills bank system that is capable of matching former Volunteer skills and interests to a full range of project involvements and to job openings. Using its own funds, IF has presently registered approximately 550 former Volunteers onto its skills bank.

What critically does not now exist is the capability to register the 10 - 15,000 former Volunteers onto the skills bank that would constitute a force large enough to significantly meet the requirements of a range of former Volunteer project activities.

I believe this is a capability that can be realized this year. Several options exist, and they should be investigated simultaneously to assure an ultimate success. They are:

A. Data processing by ACTION's computer services division on a "non-billing" basis

This approach would have the ACTION agency operate the skills bank. Presently, ACTION's computer services division handles the mailing list information for the Former Volunteer Project without billing for the costs. If such an arrangement can also be worked-out for the skills bank data, then the skills bank registration objective should be attainable. Clearly, study of the implications of this approach remain. These are initial questions:

1. What are the system requirements?

   - in terms of developing a computer program compatible with ACTION's system

   - in terms of the data input and maintenance functions

   - with regard to the user requirements (e.g., "turn-around time" and remote access to the data

2. What are the capabilities of the division to absorb the computer time and staffing costs associated with various data processing and accessing options?

3. If a relatively small expenditure of added funds are necessary to make effective use of the ACTION computer facilities (e.g., rental of a computer terminal), could the agency do this?

The Independent Foundation has established good working relations with the ACTION computer people, and has kept them abreast of our skills bank system development. IF is capable and willing to use its expertise and explore with the ACTION staff the options and related costs for an ACTION skills bank system. The subsequent assessment would then be available to ACTION management for their decision.

B. Data processing by ACTION, with billing to non-Former Volunteer Project units of the agency

As described later in this memorandum, various ACTION units (such as Recruitment and Training) can greatly benefit from the resources within a former Volunteer skills bank.

This case remains to be strongly carried to those units, as is also pointed out later in this memorandum. IF, for its part, has drafted one such proposal for the ACTION Recruitment Division. We offer to help draw-up similar ones for other units, and to work with the ACTION computer division staff to determine the most cost-effective approaches to handling the skills banking for each of these applications. Again, we would do this for a fee, or for free, depending on ACTION's financial resources.

C. Data Processing by the Independent Foundation, with funds from various grant and contract sources

On a piecemeal basis, the Independent Foundation can identify funding sources which will provide for increasing the number of registrants on its skills bank. For example, an IF contract bid to HUD (as a sub-contractor to the National Self Help Resource Center) will skills bank approximately 3,000 former Volunteers for a year's time. A Babcock Foundation grant will help register North Carolina former Volunteers.

IF will be pursuing other such opportunities, but because of the obvious uncertainties connected with a grant-finding approach, we seek ACTION's assistance to better assure that potential grant sources are identified and won in sufficient numbers to guarantee long-term skills bank growth. With IF providing for the proposal preparation, ACTION could:

1. Inquire amongst its staff who have grant development experience and reputation (e.g., Mary King and Marge Tabankin) for leads to foundations, government agencies and corporations which would be favorably disposed to an IF skills bank project proposal.

2. Clearly delineate the back-up assistance/co-sponsorship the agency would muster for any such IF proposal. (NOTE: IF has been frequently informed by potential funding sources that any proposal coming from it would have to demonstrate the significant support of the ACTION agency whenever the mobilization of former Volunteer resources is the proposal's intent. Private foundations are of the view that they have long provided for former Volunteer programming when the agency was hostile to such efforts, and now it is the turn of ACTION to demonstrate its commitment before private funds will be matched). These ACTION commitments need not necessarily involve funds, they could include:

   - Use of the agency's former Volunteer mailing lists and franked mail in the project

   - The involvement of ACTION's national and field office staff and facilities

   - Tie-ins to existing ACTION programs, such as VISTA, Peace Corps, RSVP and the state programs (and to the Urban Volunteer Corps should that become operational)

   - Publicity via ACTION publications and the personal appearances of top ACTION management

   - Commitment by the agency to seek support from other federal agencies (HUD, HEW and AID being examples)

3. Where ACTION recruitment, training or other support unit monies can be identified and justified for

skills banking, contract the data processing through IF (given that ACTION decided not to administer its own skills bank)'

D. Registration onto the skills bank on a subscription basis/use of the skills bank on a fee basis

A subscription rate of about $10 per year per registrant would cover the data entry and maintenance costs of the skills bank and provide for the publishing of a national directory of former Volunteers for each registrant (a probably needed extra subscription benefit).

Use of the skills bank for any of the project purposes described in this memorandum or otherwise identified would require payment to cover the costs for searching the skills bank files to produce the entries which match the requests. Typically, these file search costs would be in the range of 3 - 5¢ per mailing label (plus the costs associated with the actual mailing), and about 25¢ per name for a full file reporting on each identified person (using a batch process involving a one-day turn-around from the time of the request).

Such a requirement for collection of fees would mean that the Independent Foundation or other organization, and not the ACTION agency, would be best suited to administer the skills bank. It is probable, however, that sufficient awareness and confidence in such a skills bank on the part of former Volunteers will require permission from ACTION to solicit the subscriptions in the "Reconnection" publication and in the termination materials given to Volunteers.

II. Career Assistance

Workshop training in job search techniques and the networking of contacts among fellow former Volunteers were the two new career assistance programs recommended by IF last January. Given that ACTION has no funds this year for the workshop training, I suggest that this very important service be provided for now on an at-cost fee basis from the former Volunteers desiring the training.

As reported in the IF study, the workshop costs average about $75 per participant. In order to identify qualified trainers and arrange for the sessions in sites convenient to most former Volunteers, I would suggest the following steps for ACTION:

A. ACTION would solicit training proposal designs from career development specialists in the private sector. These designs must comply with cost and performance standards defined by the agency (in its January report, IF recommended basic criteria for the workshops).

B. Those providers meeting the stated qualifications would be certified by the agency for the training services.

C. A tentaive schedule of workshops would be developed among the trainers so that the former Volunteers have a diverse and convenient offering from which to choose.

D. Using "Reconnection", and through notices in the termination kits of Volunteers and postings in ACTION offices and projects, ACTION would notify the former Volunteers of the sessions.

E. Those former Volunteers wishing to partake of the training would directly contact the organization conducting the session of their choice. These organiaations could hold additional sessions to meet a high demand, but they could not cancel any under-subscribed session unless they first provided for other training arrangements that are acceptable to the subscribed former Volunteers.

F. Each recipient of the training would be given an evaluation form directly returnable to ACTION for assessing the trainer's performance.

With regards to the supportive networking among former Volunteers for career assistance, that capability would exist given the success of the skills bank initiatives discussed in the previous section. Additionally, the skills bank is useful as a referral tool for employers seeking qualified job candidates. ACTION is apparently restricted from such job placement activities, but IF could provide this service if it were the operator of the skills bank.

III. Assistance to Peace Corps and VISTA

With an operable skills bank (whether administered by ACTION, IF or some other organization), former Volunteers can be readily identified for a range of specific assistance to Peace Corps and VISTA. The Januray IF report detailed several such involvements in recruiting particularly qualified Peace Corps and VISTA candidates, in providing technical assistance to current VISTA projects and participating in the Partnership programs of Peace Corps, in constituting advisory panels for a variety of ACTION programs and functions, and in serving in ACTION staff positions.

Implementing these recommendations does not call for the expenditure of funds by the Former Volunteer Project; rather, it involves meeting with the pertinent ACTION staff to explain the former Volunteer potentials and working-out the logistical follow-through for any agreed to programs.

This advocacy effort does require staff time from the Former Volunteer Project that it may not have to give (particularly with respect to contacts with field projects and offices of the agency). It is reasonable to expect, however, especially if top ACTION management gives its full urging, that the ACTION offices directing the field programs can enlist their own staff resources to assist the Former Volunteer Project in getting its message across. To facilitate this, the Former Volunteer Project could:

A. Develop a packet of materials clearly describing the nature and applications of former Volunteer resources.

B. Conduct related orientation and training sessions for ACTION staff offices which are responsible for directing or monitoring field operations.

C. Participate in planning and evaluation sessions conducted by those units where former Volunteers could make significant contributions.

D. Publicize the accomplishments of former Volunteer programs within the agency whenever and wherever possible.

The Independent Foundation, as before, would assist on a fee or for free basis with the packet preparation and the orientation and training sessions.

IV. — Support for Former Volunteer Groups

The January IF report makes the case that former Volunteer groups can benefit from being tied-in to ACTION contracts and programs wherever they are qualified and desiring to do so. This recommendation does not require the expenditure of additional funds; it does call for the targeting of existing contract monies where appropriate.

Former Volunteer groups can earn revenue in the career workshop training programs, in recruitment strategy contracts, as trainers for Peace Corps and VISTA Volunteers (probably on a sub-contract basis), and as resources to various special projects of ACTION (such as Development Education initiatives, technical assistance to neighborhood development projects, etc.).

The fact that there are presently a few former Volunteer groups should mean that ACTION could identify and track involvement for most of the groups [illegible] the Independent Foundation would work with the Former Volunteer Project to investigate the many possibilities. Clearly, however, it is the Former Volunteer

Project which is in the best position to advocate and facilitate these involvements within the ACTION agency.

V. Concluding Comments

Through the strategies described in this memorandum, considerable momentum can be created for former Volunteer programming this year, despite the budget problems of the ACTION agency.

This is not a year that can be wasted. Next year the ACTION budget will likely be as tight or tighter because of the President's anti-inflation mandates.

More importantly, former Volunteer organizations have seen the ACTION agency fail to do what it could for former Volunteer programming ever since the agency was created. This is a year where funding at increasing levels may not be possible, but we know that many of the steps described in this memorandum could be committed to.

Failure to act this year with determination, imagination and cooperations with former Volunteer groups would be a clear signal that this ACTION administration has the same priority for former Volunteer programs as did its predecessors.

Mr. BROWN. We have been able to implement some of those recommendations.

Senator CRANSTON. Will you give us, for the record, that information?

Mr. BROWN. Yes.

Senator CRANSTON. Do you know the costs of that to the Agency? You can give us that for the record.

[The following was provided for the record:]

Question. What activities has the Agency undertaken during the past year to support former volunteer projects?

Answer. Within the past year the Agency has institutionalized the Former Volunteer Project within the Office of Voluntary Citizen Participation (OVCP). The project staff accomplished or initiated the following:

Established Reconnection, a newsletter for former Peace Corps and VISTA volunteers, which informs the readership on a variety of activities and issues including community development, development education, the activities of other former volunteers, and reunion of former volunteers.

Doubled the former volunteer mailing list to 35,000 entries, which is a little over one-quarter of all former Peace Corps and VISTA volunteers.

Provided assistance through direct mailing to former volunteers, to form several city and state-wide former volunteer organizations. These organizations have developed speakers bureaus, supported community service projects, developed language banks, and provided the media interviews regarding their volunteer experiences.

Assisted the former Peace Corps volunteer group in Nebraska and the University of Nebraska to facilitate the participation of the Peace Corps in a conference on the Third World.

Facilitated reunions of ex-volunteers which frequently include panel discussions on public policy, antipoverty efforts and foreign policy; and activities to form local former volunteer organizations.

Awarded a small grant to the Interdependent Foundation to develop a former volunteer skills bank.

Assisted former Peace Corps and VISTA volunteer groups to organize and conduct fairs, on a voluntary basis, during Peace Corps/VISTA month to recruit new volunteers. During February 1979 such fairs were conducted in Denver, Boston, Detroit, Dallas, Seattle and San Francisco.

Question. How do you (ACTION) plan to implement the recommendations of the contractor that performed the former volunteer survey, specifically as those recommendations that were presented in the December 8 memo from Mr. Saccomandi to the ACTION Agency on this subject?

Answer. The Independent foundation conducted the former volunteer survey for the ACTION Agency. The recommendations made and plans for implementing the recommendations are as follows:

Recommendation: Establish a former volunteer directory service by creating a computerized skills bank capable of matching former volunteers to a full range of projects and jobs requiring their skills.

Implementation: The Agency's fiscal year 1979 supplemental request includes funding for the creation of a skills and interest bank.

Recommendation: Provide career assistance by developing workshops to train former volunteers in job search techniques and utilization of a "job network" established among former volunteers.

Implementation: The Agency's fiscal year 1979 supplemental includes funding for the creation of a series of pilot career development workshops to train former volunteers in job search techniques and the development of a workshop manual to enable former volunteers and former volunteer groups to perpetuate the workshop model.

Recommendation: The former volunteer project can facilitate former volunteer assistance to Peace Corps and VISTA by (1) developing a packet of materials clearly describing the nature and application of former volunteer resources; (2) conducting related orientation and training sessions for ACTION staff offices which are responsible for directing or monitoring field operations; (3) participating in planning and evaluation sessions conducted by those units where former volunteers could make significant contributions; and (4) publicizing the accomplishments of former volunteer programs within the agency whenever and wherever possible.

Implementation: In the remaining part of 1979 the Office of Voluntary Citizen Participation (OVCP) plans to prepare materials describing potential ways the

VISTA and Peace Corps program staff can utilize former volunteers resources. In addition, the agency is currently planning to integrate into staff training in Washington presentations to promote VISTA and Peace Corps utilization of former volunteers. The Former Volunteer Coordinator is frequently included on task forces and in planning sessions which concern potential use of former volunteers. Finally, the former volunteer newsletter, Reconnection, was established to publicize former volunteer accomplishments and is distributed to all ACTION staff.

Recommendation: Support former volunteer groups by establishing a former volunteer office within the agency and tie in former volunteer groups in ACTION contracts and programs whenever former volunteers are qualified and wish to become involved.

Implementation: The Agency established the FVP in the Office of Voluntary Citizens Participation in March 1978. Through Reconnection, the FVP publicizes the activities of former volunteer groups that have received ACTION contracts and the activities of those groups working to support the agency programs.

Question. Do you know the cost to the Agency of implementing the recommendations made in the Former Volunteer Survey conducted by the Independent Foundation?

Answer. The cost of implementing the recommendations is estimated to be $150,000. Approximately $75,000 is requested to implement a skills and interest bank of former volunteers and an additional $75,000 is requested for Outplacement Counseling to set up pilot career development workshops and to develop a manual for setting up and conducting such workshops.

Senator CRANSTON. Last year during our hearings you discussed the Agency's intention to eliminate the university year for action program. You indicated at that time that the Agency had funded the Educational Testing Service to come up with alternative service learning possibilities.

What kinds of alternatives have been proposed or developed?

Mr. BROWN. Ms. Tabankin will answer that.

We have, in fact, funded in fiscal year 1978 four alternative models that were identified by the Educational Testing Service study. We have already funded out of last year's appropriation four alternative models.

Ms. TABANKIN. The Educational Testing Service study did analyze some of the weaknesses raised by this committee, and made aware within our own office of policy and planning studies which showed that many volunteers were not working full time, were not working with the poor recipients; that volunteers needed to be able to take some class time, and that they were being prohibitied by our own regulations from doing that; that there was not adequate funding from the universities, and that for them to be able to give the kind of commitment they needed to give they would have an increased volunteer stipend closer to allowances received by VISTA volunteers.

Those were predictable but things we felt we needed confirmation on.

The finding they came up with which we had not previously placed a lot of weight on was that many community residents and community participants did not feel they were in any way adequate equal partners.

They felt that the university was primarily just placing volunteers, was not putting forth its own resources into the community enough, and that the community was not able to draw upon those resources.

Therefore, ETS recommended that we try an alternative model, which would place the grants with a fairly large consortium of community-based groups which would subcontract with a specific university program.

So we funded four demonstrations. They are: the Appalachian leadership and community outreach program (ALCOR), the National Conference of Black Mayors (40 volunteers working with six universities), the Association of Collegiate School of Architecture, and the Clearinghouse for Community-Based Freestanding Education Institution, which is the leading group in the field of alternative education.

We hope after evaluation of these four demonstrations to determine whether this model will enable us to provide an appropriate UYA request in fiscal 1981.

Senator CRANSTON. Are those four receiving continuing funding, or was that a 1-year funding demonstration?

Ms. TABANKIN. We intended them to be a one-time fund effort.

Senator CRANSTON. Would you give us the cost of the ETS study?

[The information follows:]

Question. What was the cost of the ETS study?

Answer. The cost of the Educational Testing Service study was $114,055.

Senator CRANSTON. I will include in the hearing record at this point a December 11, 1978, memorandum to the regional directors from John Lewis concerning funding during the present continuing resolution period for UYA projects.

[The memorandum referred to follows:]

ACTION *Memorandum*
WASHINGTON, D.C. 20525

TO: Regional Directors   DATE: Dec. 11, 1978

JL

FROM: John Lewis

John Lewis

SUBJECT: UYA

I.

As you are aware, the Continuing Resolution under which we are operating is for one year; therefore a decision has been made to refund UYA projects as they fall due. Not to do so could be viewed as a failure to conform to a Congressional mandate - - an action the agency does not want to take without specific instructions from the Administration.

UYA sponsors should be informed of this decision immediately. Renewals will be based on past program performance and the overall program quality of the renewal proposal. In addition, they should be informed that their renewal applications will be reviewed to insure that they are in strict compliance with UYA policy. Any lapse in policy overlooked in previous years must be corrected before a grant renewal will be awarded. Failure to comply will lead to discontinuance.

In order to assure a smooth and equitable UYA renewal process, the following steps will be taken:

- As Director of AEP, Margery Tabankin will review the project narratives on file for all UYA projects currently operating in order to determine policy compliance. A memorandum indicating areas of policy non-compliance will be prepared for each project as soon as possible and forwarded to the appropriate Regional Director. The appropriate State Program Director will be copied on the memorandum.
- Within five (5) working days of receipt, the RD will discuss the contents of the Tabankin memo with the appropriate SPD to assure that the SPD fully understands the conditions which must be met by the UYA sponsor in its renewal application prior to refunding.

- No more than five (5) working days after discussing the UYA project with the RD, the SPD will notify the UYA project director in writing of the conditions which must be met by the renewal proposal in order to obtain refunding. The policy upon which each condition is based must be indicated.

If in the opinion of the RD, after discussion with the SPD, a policy requirement should be waived for a specific UYA sponsor, s/he should notify the Director of VISTA/AEP. If the Director of VISTA/AEP agrees with the RD's judgement, she will initiate the steps necessary to have that policy waived. The RD will be notified in writing as to the disposition of the waiver request.

UYA proposals will be approved for refunding by the Regional Director. Such approval will indicate that all policy deviations highlighted by AEP headquarters have been corrected and that the renewal application is in compliance with UYA policy.

II.

The policy waivers granted to the UYA demonstration projects will not be extended to standard UYA projects.

cc: Harry MacLean
Margery Tabankin
SPDs
Desk Officers
Frank Rey

Senator **Cranston**. The memorandum states that, "the decision has been made to refund UYA projects as they fall due."

In part, the memo reads:

> UYA sponsors should be informed of this decision immediately. Renewals will be based on past program performance and the overall quality of the renewal program.
>
> In addition, they should be informed that their renewal applications will be reviewed to insure they are in strict compliance with UYA policy.

The last sentence I want to stress:

> Any lapse in policy overlooked in previous years must be corrected before a grant renewal will be awarded.

Sam, would you tell the committee what lapses in policy may have been overlooked in previous years?

Mr. **Brown**. Ms. Tabankin can answer that question.

Ms. **Tabankin**. Many volunteers were working in staff roles in social service agencies, and many were spending enormous amounts of time in class attendance and not serving in the community-based organizations in which they were intended to be placed.

Senator **Cranston**. How many UYA projects do you anticipate will be discontinued as a result of this directive?

Ms. **Tabankin**. As a result of the directive from Mr. Lewis, based on program quality?

Senator **Cranston**. Right.

Ms. **Tabankin**. We assume a loss of three to five schools. I must say we are being very, very fair with these universities, and specifically telling them what our problems are and giving them a chance to respond.

There probably will be three to five schools that aren't up to program quality and should be phased out. Another five or so will be phased out on schedule.

Senator **Cranston**. How many UYA programs is the Agency currently sponsoring?

Ms. **Tabankin**. Twenty-nine ongoing programs, and four demonstrations; a total of 33.

Senator **Cranston**. What is the amount of money which the Agency would require to continue funding current programs during fiscal year 1980?

Ms. **Tabankin**. That would require about $3 million, not including volunteer health coverage.

Senator **Cranston**. After fiscal year 1980, how many UYA programs will there be remaining which initially were led to expect 3 to 5 years of support from the Agency?

Ms. **Tabankin**. There will be a maximum of 21 grantees, including the four demonstrations. The total funding for these in fiscal year 1981 would be $2,200,000.

[The following was provided for the record:]

> *Question*. After fiscal year 1980, how many UYA programs will there be remaining which initially were led to expect 3 to 5 years of support from the Agency?
>
> Answer. After fiscal year 1980, there will be seventeen grants that will not have completed five years of operation.

Senator **Cranston**. Sam, in your testimony you indicated that the Agency proposes to fund UYA for the first three quarters of fiscal year 1979 only.

What is the total number of present UYA grantees that are due for continuation funding for the first three quarters?

Ms. TABANKIN. Seventeen of the twenty-nine will be funded.

Senator CRANSTON. How many are due for continuation funding in the fourth quarter? Which specific programs are due for continuation funding in the fourth quarter?

Would you please give us that for the record?

[The following was provided for the record:]

Question. Total number of present UYA grantees due for funding in the fourth quarter of fiscal year 1979 and which specific programs are due for continuation funding in the fourth quarter?

Answer. Seventeen UYA grantees are due for continuation funding in the fourth quarter of fiscal year 1979. They are: New York University, Pratt Institute (New York), Rochester Area College (New York), Washington International (Washington, D.C.), Florida Technological University, Santa Fe Community College (Florida), University of North Carolina, George Williams College (Illinois), Texas A & I, Stephen Austin State (Texas), University of Arkansas, Birmingham-Southern College, Weber State (Utah), University of California-Irvine, Peralta Community College (California), Southern Illinois University, and University of Pittsburgh.

Ms. TABANKIN. Yes; 17 UYA grantees are eligible for renewal in the fourth quarter of fiscal year 1979.

Senator CRANSTON. Later this morning we will hear from witnesses involved with the UYA program who, their prepared testimony indicates, will give us a very impressive picture of that program's value and cost effectiveness.

I have received mail from UYA programs across the Nation echoing that message. Why do you want to eliminate this program totally?

Mr. BROWN. There are a number of problems identified which we believe we may be about to overcome in some of the demonstration programs.

As a consequence, it may be that fiscal 1981 we would be prepared to make a decision on UYA.

But we believe the program as currently constructed has significant weaknesses. It is simply best to start fresh with UYA.

Senator CRANSTON. If there are fine programs that were led to expect reasonably long-term funding, why can't there be a phaseout rather than an abrupt termination?

Mr. BROWN. Presumably, there could be.

Ms. TABANKIN. There could be if the Congress chose to ask the Agency to do that. However, at the time they entered into a relationship with the ACTION Agency, they were led to believe that they would have 3 years of funding.

It was only in the last year when we saw the institutionalization rate of the schools was not going well that we extended it to a 5-year period.

So there are really only a few schools from which the ACTION Agency has moved away from its original commitment.

There are clearly excellent, wonderful schools, and superior projects. We see them all of the time. The problem in putting forth the legislation was, it wasn't the rule. It was the exception.

Senator CRANSTON. In his prepared statement on the UYA program, one of our public witnesses who will present testimony later this morning, states the following:

I lay the responsibility for UYA uncertainty directly at the door of the ACTION Agency, and the failure for the past 5 years to provide effective leadership. ACTION has yet to take the program seriously. ACTION UYA staff have not worked effectively with the higher education community to generate the kind of involvement that would impact on poverty community needs. They have demoralized educators who really do care to make UYA work, but who are discouraged by ACTION staff inability to get it together.

How do you respond to this?

Mr. **Brown**. First, let me say that in partial response to an earlier question, it should be understood that there is no abruptness. It was nearly 18 months ago that our proposal to terminate UYA was forwarded to the Congress.

So it does not come as a shock to any of those schools now in their second or third years. They have known continuation would be contingent about what Congress decided to do.

My experience with the staff of the UYA-ACTION education programs is that it is by and large a very capable and professional staff. If they have less than good relations, with the schools that, frankly, comes as a surprise to me.

We can begin to overcome UYA problems. I believe the demonstrations offers a much better step for the university year for action program, not only for the universities but also for the communities which were frequently overlooked in the past few years.

Senator **Cranston**. How many grantees also have an NSVP component?

Ms. **Tabankin**. NSVP is hard to quantify, since it provides primarily technical assistance, literature, ongoing forums, and various alternative education policy information.

So I would guess that most schools with UYA clearly have a NSVP connection since that program relates to 2,000 schools of higher education in some way.

Senator **Cranston**. Can you give us that for the record?

[The information follows:]

Question. How many UYA schools have received technical assistance from NSVP?

Answer. In fiscal year 1978, technical assistance was provided through NSVP to 25 schools with UYA projects.

Ms. **Tabankin**. I can say specifically they have done fairly well in setting up voluntary programs.

Senator **Cranston**. In their prepared statements, the UYA witnesses make reference to a problem with respect to the interpretation of section 404(g) of the act as it affects student educational aid.

Are you aware that UYA volunteers may have their student aid reduced as a result of their involvement in the UYA program?

Ms. **Tabankin**. I was not aware of that.

Senator **Cranston**. Would you look into this matter and get back to the subcommittee?

Mr. **Martin**. I am Bob Martin from the ACTION general counsel office.

By way of summary we will provide details for the record. Each UYA student who is eligible gets a full package of aid based upon the need. They do not get additional sums of money beyond their need, except to the extent that that money might be necessary to reflect their volunteer service, and the necessity for supporting themselves in the community.

We will provide that for the record.

[Information supplied for the record follows:]

Question. Respond to the issue that UYA volunteers may have their student aid reduced as a result of their involvement in the UYA program.

Answer. Section 404(g) of the Domestic Volunteer Service Act of 1973 provides that payments to volunteers under the Act shall not in any way reduce or eliminate the level of or eligibility for assistance or services any such volunteer may be receiving under any government program.

The "level of assistance" provided to students under government programs of assistance to post secondary students is the differences between the cost of their education and resources which are available to the student from other sources. No UYA volunteer who is otherwise eligible for government educational assistance has his or her UYA allowances from the previous year included as income in the computation of need. However, subsistence allowance paid to volunteers during the year for which student aid is requested and received are included as a resource available for that year in computing unmet need. This procedure prevents students from receiving a combination of payments which exceeds their need as determined by the educational institution. It does not involve a reduction of payments to volunteers below the level of the full cost of their education.

In addition, the financial aid office of the institution involved includes additional living and travel costs which are incurred by a UYA volunteer as a result of requirements of the UYA program, such as transportation and living among and at the level of the persons served in the student's cost of education budget when computing the needs of the students.

Since the cost of education used in computing a student's Basic Educational Opportunity Grant is subject to maximums specified by regulation, a UYA volunteer may have a different education cost for determining his or her basic educational grant award from that used for other Title IV programs.

While this treatment will, in most cases, reduce the amount of Title IV funds for which the student would be eligible if he or she were not enrolled in UYA, it does not reduce the proportion of need financed from government sources in any case, and prevents the award of a combination of assistance which exceeds the need of the student volunteer. This treatment is consistent with the UYA concept that volunteers' income should not exceed that necessary to permit them to live at the level of the people served, and the intent of section 404(g) of the act, which is to preclude loss of benefits, such as food stamps or medicare, by the families of low income volunteers.

Senator CRANSTON. In your budget presentation, you indicate that an evaluation conducted by your office of policy and planning demonstrated that the effectiveness of VISTA volunteers serving under national grants had a greater immediate impact on the poverty community than did regular VISTA volunteers.

Why is that?

Mr. BROWN. We believe there are a number of reasons for this including training, supervision, and the program direction itself.

Ms. Tabankin can outline those to you.

Ms. TABANKIN. The national grants program was the first program that was begun after the new VISTA criteria and philosophy paper was published in the Federal Register.

Therefore, all of the programs and all of the grantees are in full compliance with the objectives of self-help, capacity building and neighborhood development.

For training, there was a differential in the per-unit cost of volunteers, and that was primarily for the training activity. One of the weaknesses in the VISTA program had been the low level of VISTA volunteer training in comparison to the level of effort and performance for Peace Corps. We felt training was completely inadequate.

Many VISTA's were only receiving 2 days of training, which barely gave them the terms and conditions of their service, and gave them no training in a specific skill whatsoever. We put forward a comprehensive training program in the national grant application, which was also a clear indication as to what we would lose through a lack of training—whether the training was in marketing or economics for the Federation of Southern Corps, or whether it was the National Association of Farm Workers showing how to train volunteers in recognizing pesticide poisoning.

It was very, very rigorous. It now forms the basis for the new training model utilized with new VISTA volunteers. We expect that this will eliminate the differential.

Senator CRANSTON. You indicate on page 28 of your fiscal 1980 budget presentation that the unit cost for standard VISTA's is identical to that for national grant VISTA volunteers.

The House appropriations investigators report indicates that national grant VISTA unit costs are significantly higher than standard VISTA unit costs.

Has the situation changed since the House investigators reviewed the national grant programs?

Ms. TABANKIN. Yes, it has.

Basically, it has changed for the very reason I stated previously. At the time they did the investigation, we were operating on the previous budget allocations for standard VISTA volunteers. In contrast, the new budget we have before us has changed that, so that there might be a differential of $50 or $60, even up to $100, for the payroll of grant volunteers. That would be true, however, of regional grants as well as national grants.

It is certainly not true of a large differential any more because of supervision, training, or transportation. All factors that were different are now being reviewed for standard VISTA's.

Senator CRANSTON. In your budget presentation you indicate that VISTA was developing new approaches to assisting the career aspirations of low income volunteers.

What are those new approaches?

Ms. TABANKIN. Because of the fact that we are on a continuing resolution, that is not yet an accomplishment which we can claim. It was clearly one of the items to work on. It was assigned to the Training and Technical Assistance Division. They are waiting to move forward as soon as we get an appropriation.

Senator CRANSTON. I note that the ACTION Agency wishes to change the name of the national student volunteer program to the national program for service learning.

What benefits do you feel will result by the change in name of this program?

Ms. TABANKIN. I think NSVP has clearly established its own credibility in the field of service learning. NSVP representatives are approached by educators from all walks of life, including those from grammar schools, high schools, and colleges as well as every other type of possible educational entity. I think NSVP is truly known as one of the Government's excellent programs in the field of delivery of service learning concepts.

I think that would be a more accurate statement, rather than just the limited notion that they were setting up specific programs only geared for McAlister College or Weequahic High School.

Senator **Cranston**. Why are you sure that those benefits will offset the confusion that the name change might cause to schools and campuses which are familiar with the NSVP?

Ms. **Tabankin**. Because of the capability and energy of the staff in making clear who they are.

Senator **Cranston**. What costs are involved in changing supplies and materials that have the NSVP name?

Ms. **Tabankin**. We would hope there would be no additional cost. It would be a general phasing out of the old materials.

Senator **Cranston**. In your request for increased funding for the NSVP program, you indicate that the ground work for the establishment of a demonstration project for juvenile offenders was accomplished in fiscal year 1978.

Would you please provide us with details of that project for the record?

Ms. **Tabankin**. Certainly.

[Information requested follows:]

Question. What was the groundwork accomplished in fiscal year 1978 to establish a NSVP demonstration project for juvenile offenders?

Answer. The National Student Volunteer Program (NSVP) initiated a demonstration project in fiscal year 1978 designed to: (1) involve a group of juvenile offenders in a service-learning experience, a group who as a whole traditionally have been excluded from participating in service-learning programs, and then (2) collect comprehensive research data on the impact of that service-learning experience on the youth. With this idea in mind, during the first half of fiscal year 1978, NSVP prepared a program model on which series of grants could be based. NSVP developed this model with the help of two interns, one who was a former VISTA and at the time was working toward an M.A. in Human Resources Development and one who was a Ph.D. candidate in Educational Administration.

In June 1978, NSVP sought comments on a draft of the program model from practitioners in the juvenile justice field and from ACTION headquarters and field office staff. Attached is a copy of the "Description of the Program Model for the Juvenile Offender Service-Learning Demonstration Project" which incorporates the comments from the reviewers. This document discusses the rationale for the project, offers a summary of the model and then describes each component of the model, i.e., the Service component, the Learning component, and the Administration and Support component.

In July 1978, NSVP sent information packages about the project to organizations that had been suggested as possible strong candidates. The information packages included the program model description, an overview of the research efforts to be made with the first grant and a description of the procedures for how to apply for the first grants. NSVP gathered the names of these organizations from the reviewers and from other contacts familiar with the intent of the demonstration project and the design of the program model. A Project Review Board (PRB) was convened and rank ordered by numerical ratings each of the implementation plans that were submitted in response to the information package.

One grant was awarded with fiscal year 1978 funds to Partners School in Denver, Colorado which is certified as an alternative school under the Denver Public School system. Prior to its involvement with NSVP, Partners School has been evaluated positively for remediating academic and behavior problems in young people who have been referred by the courts, and the police or the schools. Total grant award: $73,659.

NSVP plans to award a series of grants that will enable test data to be collected from about 300 juvenile offenders who have participated in the service-learning program. The research plan calls for the collection of test data on an equal number of youth who have not participated in the service-learning program. Analysis of the test data will offer information on the impact of the service-learning experience on math and reading achievement, work skills, attitudinal and value growth and recidivism rates.

DESCRIPTION OF THE PROGRAM MODEL
for the
JUVENILE OFFENDER SERVICE-LEARNING DEMONSTRATION PROJECT

ACTION
National Student Volunteer Program
July 1978

CONTENTS

DESCRIPTION OF PROGRAM MODEL

- I. Introduction and Rationale........................... p. 1
- II. Project Summary........................... p. 5
  - A. Administration and Support Component............... p. 6
  - B. The Service Component........................... p. 7
  - C. The Learning Component........................... p. 8
- III. Administration and Support Component.....ₜ............ p. 10
  - A. Youth Participants........................... p. 10
    - 1. Participant Selection
    - 2. The Sanction System
    - 3. Insurance
    - 4. Transportation
    - 5. Job References
    - 6. Counseling
  - B. Adult Volunteers........................... p. 12
    - 1. Adult Advisors
    - 2. Teacher Aides
  - C. Project Staff........................... p. 14
    - 1. Directing, Managing, and Monitoring the Project
    - 2. Directing, Managing, and Monitoring the Service Component
    - 3. Directing, Managing, and Monitoring the Learning Component
    - 4. Providing Clerical Assistance
  - D. Staff Support and Development..................... p. 16
  - E. Project Advisory Board........................... p. 17
- IV. The Service Component........................... p. 18
  - A. Youth Orientation Phase, Phase II................. p. 18
  - B. Group Project Phase, Phase III.................... p. 19
  - C. Supervision and Monitoring........................ p. 21
- V. The Learning Component........................... p. 23
  - A. Intended Learning Outcomes........................ p. 23
  - B. Methodologies to be Used.......................... p. 25
- VI. Notes to Potential Grantees on Evaluation Requirements. p. 27

I. INTRODUCTION AND RATIONALE

The purpose of this demonstration project is to establish a model which in future years will be used to test the impact which an intensive service-learning experience can have on the cognitive, affective and skill development of a group of juvenile offenders aged 14-18. While thousands of service-learning programs are operating at the secondary and post-secondary levels throughout the country, few have as their primary focus the involvement of large numbers of disadvantaged or problem youngsters in providing service to the poverty community while extracting specific learning from that experience. This project is based on the premise that service-learning is an appropriate method for educating juvenile offenders.

Furthermore, little research has been conducted to study the effect of the service experience on the acquisition of new skills, increased comprehension or the development of improved attitudes toward self and society for the young people involved. The first year of this project will focus only on establishing a sound model for involving this particular population of youngsters in a service-learning experience. It is our intention in the second and third years to conduct the types of evaluation and research necessary to determine what learning outcomes in the skill, cognitive and affective domains result from intense involvement in a service experience, as contrasted with learning outcomes from involvement in traditional basic education, vocational training programs, work release programs, or other types of experiential learning opportunities for juvenile offenders.

Service-learning has been defined by its practitioners as: "the integration of the accomplishment of a task which meets human needs with conscious educational growth." The goal of service-learning is to give young people the opportunity to assume adult responsibility that expands and enlarges their capacity for learning through doing.

The design of a good service-learning program requires that the first priority is to meet human and social needs, with the learning that results being the natural outcome of the process. Work experience, career exploration and other types of experiential learning programs, however, focus on the youngster's learning as the first priority; this often results in the exploitation of the community for learning purposes, and teaches the youth little about citizenship, and personal responsibilities to people in need or to solving community problems.

Practitioners agree that successful programs enbody these essentials:

- For young people to consider their work worthwhile to both themselves and the community, programs must contribute to meeting real human or social needs.
- Young people must be responsible for their work and must have responsible work to do: youngsters should not be assigned routine chores while trying to peer over the shoulders of people who are doing the real work.
- Programs must have measurable service and learning goals, and be well planned and managed from both the service and learning perspectives, in order for young people to extract the most learning from their work accomplishments.
- Programs must match the community's need for work to be done with the needs, skills, interests, and motivations of the young people involved. This matching makes use of the potential of the participant to draw on his knowledge and internal motivations, and enhances the youth's development of process and procedural skills and awareness.

Further, it is our premise that service-learning experiences will do more than simply develop new skills and knowledge for the juvenile offenders involved. While many work experience and career exploration programs provide direct experiences for young people to test their knowledge and develop new skills, these programs bypass opportunities for the educator to facilitate directly the development of new values that enhance the young person's understanding of himself and his responsibilities to others and to society as a whole.

Dr. Lawrence Kohlberg at Harvard's Center for Moral Development has written extensively on how people reason and make ethical decisions or judgements. According to Kohlberg, there are six stages of judgement and each individual begins to make decisions at the first stage, and develops or progresses sequentially through each higher level of decision-making ability. The stages are: 1) Punishment and Reward; 2) Reciprocity: you scratch my back, I'll scratch yours; 3) Belonging; being accepted by the group; 4) Societal Maintenance or judgements based on the social order, law and authority; 5) Social Contract: decisions are made based on our adherance to principles of mutual obligation within a democratic system; 6) Universal Ethical Principles: to the individual who reasons at this stage, rights and obligations are no longer distinct. Kohlberg has found that if a young person has developed the ability to think for himself by his late teens or early 20's it is a better predictor of his future success than I.Q, family background or even the amount of schooling.

Kohlberg further found that one progresses from stage to stage when faced with issues of fairness, or when stimulated by people who have reached a higher stage than one's own. For this reason, many educators advocate service-learning experiences for youngsters as vehicles for developing their ability to make reasoned, ethical judgements and decisions. Young people involved in service-learning are often faced for the first time in their lives with the need to care for and help another individual or group of individuals whose problems may be greater than their own, and who are depending on that youngster to "come through" for them. When that happens, the jargon of social problems, human needs and adult responsibilities, takes on a new and very real meaning.

Alec Dickson, who is the creator of England's predecessor and counterpart programs to VISTA and Peace Corps, has successfully worked with problem and incarcerated young people in service experiences. He is fond of telling the following story about a school in England called the Briary Road Secondary Orphan's School.

"Kids leave this school in great numbers at the earliest age they can. In fact, they are kicking at the door to get out into what they believe to be 'real life'. And in a recent class of thirty-two, sixteen were involved professionally with the local probation officer.

"An imaginative teacher arranged one day to take his whole class to the local hospital. There, confronting them, were nine children with congenital spinal injury--children in whom a kind of hinge mechanism in the bottom of the spine has been 'cranked up' at birth. Unless there is a particularly intelligent and successful operation, they deform pretty quickly. There is not much that surgery or medicine can do after that.

"But here they were, unable to move, terribly immobile. The nurses had to lift them, to feed them, to toilet them, to put them to bed, and to attend to their every need. When Mom takes the kid home, she becomes the prisoner of her own child.

"Then these difficult 15 year-old school kids were told, 'What you see here is a technological problem--they can't move. Do you think you can help them?'

"Back at the school, in the workshop, they wrestled with the problem. What material could best be used? What design? In seven weeks time, they returned to the hospital, led by their headmaster. They handed over nine beautifully polished, boomerang-shaped trays to take the splayed-out legs of each child. The trays were mounted on caster wheels, an inch and a half off the ground, so that each kid with his fingertips could propel himself in any direction across the floor.

"When the trays were handed over, the children's mothers were in tears. The children themselves were euphoric; the hospital staff was astounded, and the 15 year-olds were strangely silent. The headmaster himself was moved by the impact this evidently made on his difficult young people. He asked a probing question, and got two classically beautiful answers. Why had this made such an impact on them? The first answer was: 'Because it's the first bloody thing we made in school that we didn't have to take home afterwards.' But the second was: 'Because nobody said it was good for us. They said it was serious, dead serious.'"

II. PROJECT SUMMARY

As stated in the Introduction, the purpose of this demonstration project is to establish an educational model which in future years will be used to test the impact that an intensive service-learning experience can have on the cognitive, affective and skill development of a group of juvenile offenders. Establishment and refinement of the model itself will be the primary activity in the evaluation plan for this year-long grant with more comprehensive gathering of data for test purposes occurring in future years after the model has been defined. The model will focus on three projected outcomes for the young people involved: 1) academic progress will be comparable to that of other young people in the juvenile justice system, 2) progress will be made in the ability to work cooperatively with other people toward common goals, and 3) development will occur in understanding the relationship of the self to society as a whole, i.e., citizenship responsibilities and feelings of self-worth.

Any individual or organization with experience working with juvenile offenders may submit a proposal delineating how the model will be established; each specific component of the intended model and related points discussed in the Summary and Notes on the Evaluation Plan must be addressed in detail for the proposal to be considered fully responsive. The criteria that will be used to evaluate proposals received in response to this narrative are attached. The project will be managed by the National Student Volunteer Program (NSVP), one part of ACTION, the federal agency for volunteer service in cooperation with the appropriate ACTION Regional Office.

It is important to note that this program is an alternative only to the educational program of each youth and intends to involve the youth in no fewer than five hours of education each day. Therefore, proposals for how the model will be established should address fully the grantee's plans for working with state/local jurisdictions in gaining certification to qualify the program as an alternative education program, including the specific educational requirements that apply in the local setting and a discussion of the obstacles to gaining certification. Also, discuss how this educational project will be integrated into an entire program for the offenders, i.e., implications for residential facilities, discipline systems, staffing, other program commitments, etc. Additionally, proposals should discuss how the grantee will work with the youth in easing their transition from full-time involvement in the program to their independence from the juvenile justice system. By the end of the program, each youth participant must have a specific plan for further education, gainful employment, continued community service, etc.

There are three components to the project and three phases. The three components are:

1. Administration and Support Component
2. The Service Component
3. The Learning Component

The three phases of the project for this one-year grant are:

1. Phase I - Staff Training and Planning Phase: approximately 3 months
2. Phase II - Youth Orientation Phase: approximately 2 months
3. Phase III - Group Project Phase: approximately 7 months

Youth participants will involve themselves full-time in the program, i.e., a total of no fewer than 25 hours a week, of which 10 hours (at a minimum) will be spent in the classroom with individual or group learning activities, and 15 hours (at a minimum) will be spent in service activities.

The number of youth participants will be determined by the grantee and must be specified in the proposal.

A. ADMINISTRATION AND SUPPORT COMPONENT

The grantee will be required to describe how the following functions will be performed by staff: overall management, direction and monitoring of the project, development of the placement sites for Phase II and oversight of the youth participant's development and completion of a fully-designed community service project(s) during Phase III, preparation of the young people for the service-learning experience, processing that experience and evaluating its learning outcomes, procurement of resources for supplementing the youth's needs for basic education, provision of clerical and administrative support to the project, provision of special services such as educational diagnostics and counseling, and maintenance of required records and documents for monitoring and evaluation purposes. This model defines the functions that must be performed; the actual staffing pattern to accomplish these functions must be described in the proposal.

staff managing and directing service activities will identify appropriate two-month long service placements within existing community social service agencies and organizations. This staff will work cooperatively with agency supervisors in defining volunteer placements for the youth participants, preparing job descriptions and, together with the staff responsible for managing and directing learning activities, will identify the skills required to perform each placement, the skills to be developed from each placement, and other potential learning outcomes. These elements will be used to design service-learning agreements with the youth. (See the Learning Component of this summary for a more complete description of a service-learning agreement.) Placements may be developed in any non-profit community service organization which has as its focus meeting some basic human need. Agencies and organizations can include: hospitals, homes for retarded children and adults, homes for the elderly and handicapped, community organizations, schools, prisons, etc. During this phase and the next, the Group Project Phase, Phase III, youth participants will work the equivalent of three full days each week in a service setting.

During Phase II the youth participants will be exposed to various areas of human and social need in the community, and at the completion of this phase will examine what they have seen in light of selecting, by group concensus, major human or social need(s) in the community which they would like to address during their seven-month Phase III. The project(s) they select should be designed to leave the community with something it did not have before the youth became involved. Types of projects to be developed could include: a community park, a home for runaways; a new community program for youth; a nature or bike trail; a "rent-a-kid" program; and other such tangible accomplishments. In accomplishing this project during Phase III, the youth participants will be required to assess the need in the community for such projects; define the purposes, goals and objectives; plan and define the tasks necessary to accomplish the project's goals, and cooperatively distribute the tasks among themselves; set timetables for accomplishing these tasks; plan strategies for generating the resources needed to accomplish the project; and define the knowledge and skills they need to acquire in order to successfully accomplish their individual tasks. The entire project staff will help to facilitate this process. Service-learning agreements will be an essential part of this phase.

C. THE LEARNING COMPONENT

Preparing the youngster for the experience, processing the knowledge, skills and values developed through the service-learning experience, and evaluating the competencies gained is the heart of the Learning Component. A technique to be used in identifying the types of learning outcomes for both

The project staff will be required to recruit adult volunteers from the community to serve in one of two different roles for this project: Adult Advisors and Teacher Aides working directly with the youth participants. Each Adult Advisor will be paired with a youth participant and will work side-by-side with the youth half of the time spent in service and then gradually become less involved with them as the youth participants become more involved in Phase III of the project. Teacher Aides will be recruited to tutor youth participants and to assist with the development of their basic educational competencies. The adult volunteers will serve without compensation; however, ACTION will provide funds in the grant to reimburse them for out-of-pocket and incidental expenses connected with the project.

During Phase I, the first three months of the project, the grantee will concentrate on staff training and project planning. The tasks to be accomplished during this initial phase include:

1. Developing and delivering appropriate skill training for staff
2. Developing community service placements and job descriptions
3. Developing individualized modules, and designing plans for the group seminars
4. Developing appropriate forms and other materials necessary for the project's implementation
5. Developing and establishing systems of record keeping for the purposes of monitoring and evaluating the project
6. Recruiting, selecting and training adult volunteers
7. Recruiting, selecting and orienting youth participants.

Technical assistance will be provided throughout this initial phase by ACTION's National Student Volunteer Program (NSVP), and other offices of ACTION as appropriate, e.g., Evaluation Division.

B. THE SERVICE COMPONENT

The Service Component consists of two phases; Phase II, the Youth Orientation Phase of two months for the youth participants and Phase III, the Group Project Phase lasting approximately 7 months. During Phase I, the Staff Training and Planning Phase occurring in the first three months of the grant, the

Phase II and Phase III will be the service-learning agreement. A service-learning agreement is a contractual agreement drawn up among the youth, the staff responsible for service activities and the staff responsible for the learning activities, that spells out the service tasks to be performed and the learning outcomes, or behavioral objectives which the youth hopes to achieve. Progress against these objectives will be monitored carefully. The staff responsible for managing the learning side of the service-learning experience will also be responsible for assisting the youth to identify and develop other types of basic skills which may not be readily acquired through the experience itself. The Teacher Aides will be called upon to provide tutoring and individualized attention throughout this process. Other learning and behavioral outcomes to be addressed through the service-learning experience and reinforced through this component include: development of leadership skills, such as working cooperatively with other people, following through, limit-setting, making decisions, negotiating, etc.; the development of an ability to use a self-governance or sanction system; development of group identity and solidarity; development of an awareness of citizenship responsibilities; and the articulation of a value system.

III. ADMINISTRATION AND SUPPORT COMPONENT

A. YOUTH PARTICIPANTS

1. Participant Selection

Proposals should describe the significant characteristics of the potential youth participants. It is expected that proposals as a whole will describe program implementation plans that reflect the special needs of this particular population.

a. Pre-Orientation Meeting

The project staff will conduct a pre-orientation meeting for potential youth participants. The meeting will be designed to provide the youth with information that will help them decide whether they wish to participate in the project. This information will include fact sheets, possible job descriptions, a description of the Educational Component, the project's objectives, and the expectations for staff, youth participants and Adult Advisors.

b. Selection Criteria

Youth participants shall apply in writing to be considered for the program. The application form will ask for necessary information upon which selection decisions can be made. The following criteria will be used in selecting the youth who will be involved in the project. The participants:

1) must be volunteering to participate

2) must be first time property offenders with no charges of violent crimes

3) must meet the age requirements of the program. The grantee has the option of involving juvenile offenders aged 14-16 or involving juvenile offenders aged 16-18. Proposals must specify the age group (either 14-16 or 16-18) of the youth participants.

4) must be available to participate in this project at least 5 hours a day. While they concurrently may be involved in part-time employment, this employment may not be a substitute for the Service Component of this project.

5) must be able to participate for 9 months.

c. Referrals

The project staff is responsible for securing a formalized agreement with public agencies that refer juvenile offenders to the program, once the youth have been selected and before they start their Phase II involvement.

2. The Sanction System

During Phase II the youth participants will develop a system of sanctions to be used in response to specific forms of behavior determined to be unacceptable. The youth themselves will decide what is unacceptable behavior and the sanctions to be imposed. The design of the system shall follow these guidelines:

a. The sanctions will apply to all youth

b. The sanctions and judicial committee system will be known to all individuals involved with the project

c. The system will be used consistently

d. The system will incorporate a judicial committee consisting of representatives of the youth participants, adult volunteers and project staff. The committee will determine whether or not a violation of the code has taken place and levy the appropriate sanction

e. The project director has the right to remove a youth participant from the community activity pending the decision of the judicial committee.

This system shall apply to the youth only during the times they are involved with their community service activity or the Learning Component. If the grantee has an operating sanction system based on the aforementioned guidelines, the present system can be used in lieu of an additional system, upon approval of ACTION.

3. Insurance

The grantee is responsible for securing liability, health and personal injury insurance for the youth participants which will cover them during all phases of this project.

4. Transportation

The grantee will be responsible for all project-related transportation expenses incurred by the youth participants. All participants will be made aware of the procedures for obtaining petty cash or receiving reimbursements.

5. Job References

The grantee will be responsible for keeping an accurate set of records, and developing a reference letter or form, which can be used by the youth participants when they apply for a job. The person most familiar with the youth's performance will periodically evaluate them and copies will be placed in the youth's job reference file. All such records will be kept strictly confidential.

6. Counseling

The youth participants will be provided with counseling services for project-related personal and work problems. Counseling will be provided by the project staff as needs arise. Counseling resources from the community may be used to focus more directly on ways to resolve the individual problems, depending on:

a. Availability and expertise of staff;

b. Availability of expertise outside of project staff;

c. Availability of cooperative arrangements (financial, logistical, etc.) with social service agencies.

The involvement of community resources in the counseling process will be determined by the project staff. All problems and counseling will be kept strictly confidential, with appropriate project staff being made aware when such sharing of information will facilitate the resolution of the problem.

B. ADULT VOLUNTEERS

This demonstration project will incorporate the assistance of two types of non-paid adult volunteers: Adult Advisors and Teacher Aides. The adult volunteers will be recruited and oriented prior to the Phase II involvement of the youth participants.

111

1. Adult Advisors: All Adult Advisors must be able to participate for at least 9 months, must be flexible in terms of the demands of the job, must be volunteering to participate, and must be able to demonstrate an ability to relate well to adolescents and handle pressure situations. All Adult Advisors will be expected to participate in Phase II and Phase III as well as in in-service staff training seminars, though the heaviest involvement will be during Phase II. The Adult Advisors will be responsible for the following functions throughout their participation in the program:

    a. Assisting the staff responsible for the Service Component in facilitating the youth's acquisition of new knowledge, skills, and attitudes through highly personalized contact

    b. Volunteering at least 7-8 hours a week in community service along with the youth participants during Phase II

    c. Serving as a friend, counselor, and role model to the youth participants

    d. Expanding the youth's awareness of community educational and recreational resources.

2. Teacher Aides: All Teacher Aides must be able to demonstrate an ability to relate well to adolescents, must be flexible in terms of the demands of the job, must be volunteering to participate, must be able to participate for no fewer than two months of time, and must be able to handle pressure situations. Student teachers from nearby colleges and universities may be recruited as Teacher Aides. They must be able to participate in in-service staff training seminars. The Teacher Aides will be responsible for the following functions throughout their participation in the program:

    a. Assisting the staff responsible for managing and directing the learning activities in making the service activity as meaningful as possible for the youth participants

    b. Tutoring on an individualized basis

    c. Helping to monitor the youth's progress toward his/her learning goals

    d. Developing learning aides and procuring resources as they relate to the learning plans of each youth, subject to the approval of the staff responsible for the Learning Component.

C. PROJECT STAFF

The demonstration project staff will consist of individuals capable of performing the following functions: directing, managing and monitoring the project, coordinating the Service Component, coordinating the Learning Component, delivering counseling and testing to youth, and providing clerical support to the project. Each member of the staff must have a position description and performance standards which state the explicit responsibilities and duties of their position. It will be the responsibility of the grantee to recruit, select and train all project staff, both paid and non-paid. Although the entire staff will work together as a unit, each person will be ultimately responsible for certain functions. Proposals should discuss how these functions will be integrated into an ongoing program for the youth and how the staff is qualified to perform the functions listed.

1. Directing, Managing, and Monitoring the Project: One individual shall be charged with the following responsibilities which relate to planning, organizing, staffing, coordinating, and assessing the service-learning program.

   a. Staff Training: This function includes initial training during the first month for all paid staff, orientation for the adult volunteers, and staff development seminars. The training designs shall be approved by ACTION before being implemented. The design will be such that during the training the staff will develop specific work products that they will be able to use immediately. These work products include, but are not limited to: youth participant job descriptions, designs for processing the learning, demonstration of support from agency service sites, and detailed implementation plans for the three components. Proposals should include the format and content of the proposed staff training programs.

   b. Project Administration: This function includes budgeting, record-keeping, supervising paid staff, acting as the primary liaison with ACTION, public relations, investigating and obtaining insurance for the youth participants and adult volunteers, managing any testing of the participants, monitoring and evaluating program performance, managing the counseling of youth provided by the program, insuring the smooth operation of the sanction system, creating and working with a local Advisory Board, evaluating staff performance, recruiting adult volunteers, and supportive functions for youth participants and adult volunteers including job reference files.

2. Directing, Managing, and Monitoring the Service Component: Overseeing this component requires competencies in the following areas as they relate to coordinating and facilitating service-learning: assessing needs and interests, preparing a service-learning agreement, monitoring student progress, evaluating student progress, orienting others to service-learning, and supervising youth. The particular functions relating to these competencies are:

   a. assessing community needs for service by youth in Phase II

   b. prioritizing community needs

   c. translating needs into goals

   d. identifying objectives for service related to each goal

   e. identifying opportunities for volunteers

   f. negotiating placements with agencies and others and developing job descriptions

   g. preparing agency persons to use volunteers effectively

   h. providing agency persons with awareness of the concept of service-learning

   i. organizing daily logistical arrangements

   j. maintaining contacts/linkages between community agency personnel, project staff, the youth participants and Adult Advisors

   k. helping agencies assess what they have gained from utilizing student volunteers

   l. identifying which objectives for providing service have been met

   m. identifying which goals for providing service need to be added, subtracted, modified and/or substituted

   n. sharing information with the community.

3. Directing, Managing and Monitoring the Learning Component: Overseeing this component requires competencies in designing and implementing individualized education programs, interpreting data from educational testing, procuring and making accessible resource materials for learning, and designing and delivering training for youth. The functions relating to these competencies

are:

a. helping the youth participants determine the skills necessary for successfully performing their jobs and directing the youth participants toward resources where they can obtain these skills

b. evaluating the academic progress of the youth participants

c. working with the youth and the staff responsible for the service activities to develop service-learning agreements

d. developing and carrying out procedures for processing the community service experiences

e. developing learning goals for the participants

f. recruiting and supervising the Teacher Aides

g. evaluating student teachers

h. designing and helping implement individualized educational programs for each youth participant involved in the program in conjunction with the Service Component

i. working with the youth on an individualized basis

j. conducting group seminars to facilitate the learning gained from the community service activity through group discussion and activities, and individual exercises.

4. Providing Clerical Assistance: The Administrative Assistant/Secretary will be primarily responsible for typing, filing, preparing reports, keeping records, scheduling for staff, doing petty cash, and other office functions.

D. STAFF SUPPORT AND DEVELOPMENT

The paid program staff will be involved in a series of orientation sessions during the staff training and planning phase to outline expectations as well as to share expertise in community service-learning program development for those non-traditional educational techniques as may be required for this project. In-service workshops and training sessions will be made available during the term of the project as the need arises. Adult volunteers will receive a two-day orientation training workshop prior to their involvement in the Phase II. This workshop will focus on: their roles and responsibilities; analyzing tasks for educational purposes; developing their own job descriptions; counseling techniques and, to a lesser degree, the topics discussed in the staff training. The proposal should describe the staff development plans, and benefits given to paid staff, and to the adult volunteers (travel reimbursement, references, etc.).

E. PROJECT ADVISORY BOARD

An advisory board will be established during the first two months of the Staff Training and Planning Phase to help promote the project to citizens in the community, to suggest possible placement sites, to facilitate program plans, to bring outside expertise to the project, and develop a positive attitude in the community to this project. Members should include representatives of local community service agencies, the public school system, local businesses, the juvenile justice system, the project director, and one youth participant.

The board will meet at least once a month, with several meetings scheduled during the initial weeks of this demonstration project. The Project Director will invite representatives of these various groups to sit on the board, based on their interest and recommendations from community leaders.

IV. THE SERVICE COMPONENT

The Service Component of this demonstration project is designed to embody four constants of successful youth participation projects. These constants are:

- youth are involved in planning and decision-making
- youth have real responsibilities for which they are accountable
- youth are working on projects which address genuine community needs and which involve working relationships with concerned adults
- the projects have built-in learning components.

The Service Component consists of two phases of youth involvement: Phase II, a Youth Orientation Phase of two months, and Phase III, a Group Project Phase of seven months. In the initial months of the grant and prior to these two phases of youth involvement, the staff responsible for managing and directing the Service Component will conduct an informal needs assessment of the community for purposes of identifying two-month service placements within existing community service agencies for the youth participants. During Phase II, the youth participants will work in these two-month placements. The purpose of this phase of involvement is to expose the youth to a variety of human and social needs in the community and to structure a setting in which the youth can develop close working relationships with their Adult Advisors. At the completion of this phase, the youth as a team will select and design a group project or projects which they will accomplish during their seven-month Group Project Phase, Phase III. During both phases of the Service Component the youth will be expected to serve an equivalent of three days a week.

A. YOUTH ORIENTATION PHASE, PHASE II

During the first three months of the grant, Phase I, the staff managing the Service Component will be responsible for conducting a needs assessment of the community for purposes of identifying non-routine and responsible two-month service placements for the youth participants to work in during Phase II. The short-term placements will be arranged in existing community agencies which focus on addressing basic human needs. The placements will be structured to allow the Adult Advisors to work alongside the youth participants at least 50% of the time. Positions will be developed that provide the responsibility, sense of achievement, interesting work, recognition and growth potential that will motivate the youth to perform well. The staff responsible for the Service Component and the agency personnel will develop position descriptions that clearly outline the following information;

1. duties and responsibilities of the position
2. required time commitment
3. necessary skills and attitudes
4. orientation and training to be provided by the agency
5. title of supervisor and nature of supervision
6. role and responsibilities of the Adult Advisor
7. evaluation procedures and criteria
8. opportunities for advancement and recognition.

Subsequent to placement, the youth with the help of the staff responsible for the Service and Learning Components will analyze the service activities and develop a simplified service-learning agreement that articulates some of the learning goals of the youth.

B. GROUP PROJECT PHASE, PHASE III

At the completion of Phase II, the youth participants as a team will come to concensus on a particular community problem or problems that they have recognized and will plan a project or projects to address the problem(s). The two options for organizing the team work are: 1) if, during Phase II, the total group finds that they work well together and that they share a common interest in a specific problem in the community, the total group can work on a series of tasks that relate to the resolution of that problem; 2) if, during Phase II, smaller groups of youth form around common interests in specific community problems, those smaller groups can work together on those interests during Phase III. In the second option, the youth may be working under the supervision of the staff managing and directing the Service Component, or under the supervision of personnel within an agency in the community (when that agency's work relates to the group project's goals). The parameters of that supervision is outlined in the service-learning agreement.

The group project or projects selected should meet the following criteria:

1. Be a project that focuses on meeting a basic human or social need

3. Coordinating the Project
    a. Establish policies and procedures
    b. Assign responsibilities, authority, accountability
    c. Coordinate ongoing activities (Learning Component)
    d. Deal with conflict
    e. Manage change

4. Assessing the Project
    a. Measure progress toward or deviation from goals/objectives for project
    b. Measure individual progress against service-learning objectives
    c. Provide rewards and recognition for individual performance

After the group project(s) have been designed, the Adult Advisors and project staff will assist each youth in defining his/her own involvement in it. The involvement of each youth will be planned to promote personal development of procedural skills and awareness, as well as to make use of the youth's potential for drawing on his/her own knowledge and skills. Service-learning agreements will be developed for each youth volunteer. The service-learning agreement will outline:

1. the purpose of the project and whom it is intended to serve

2. the learning objectives of the youth and how learning will be evaluated

3. the training that will be provided for the youth

4. the specific tasks to be accomplished

5. supervision

6. evaluation

C. SUPERVISION AND MONITORING

The staff managing and directing the Service Component has overall responsibility for supervision and monitoring of community service activities including insuring that the Phase II placements and the group project(s) appropriately match as much as possible the community's need for work to be done with the needs, skills, interests and motivations of the young people involved. This staff is responsible for making sure that position descriptions and service-learning agreements accurately delineate both the responsibilities the youth participants assume during his/her service and in conjunction with the Learning Component staff

2. Be a project that the youth view as important

3. Have goals and objectives that are clear, measurable and dated

4. Have goals that are attainable by the youth participants

5. Adequate resources exist to carry it out

6. Have a strong chance of visible impact on a community problem within the life of the project

7. Result in a product or service that will be desirable to the community.

For each group project, the youth will define the tasks necessary to accomplish the project goals, cooperatively distribute the tasks among themselves, and plan strategies to generate the resources they need to accomplish successfully their individual tasks. The entire project staff will help to facilitate this process.

In order to accomplish the project goal, the youth will follow the procedure outlined below:

1. Planning the Project

    a. Analyze current situation, emerging needs
    b. Translate needs into goals
    c. Develop objectives for each goal
    d. Develop alternative courses of action to achieve goals
    e. Identify negative courses of action
    f. Choose the most appropriate course of action
    g. Specify criteria that will be used to measure attainment of objectives
    h. Build prioritized, sequenced list of events in basic course of action.

2. Organizing the Project

    a. Determine tasks that must be done to implement the project
    b. Establish assignments of youth based on clusters of tasks that belong together
    c. Define scope of relationships, responsibility and authority
    d. Develop budget
    e Obtain and allocate any needed space and supplies

what learning he/she expects to gain. The Service Component staff is also responsible for insuring that daily records are kept for monitoring purposes. The youth participants will be responsible for recording their hours, activities, transportation used, problems and accomplishments, in a daily log.

Youth participants' activities will be accounted for in several ways and will be described in the service-learning agreement in at least two of the following ways at any given point during the youth's daily participation:

1) side-by-side work half the time with Adult Advisor during Phase II and established relationship with Adult Advisor during Phase III

2) supervision by agency personnel when placement is within an agency

3) supervision by project staff managing the Service Component when placement is within an agency

4) supervision by project staff managing the Service Component when placement is not in an agency

5) monitoring through daily log.

V. THE LEARNING COMPONENT

As stated throughout, the purpose of this demonstration project is to establish a model which in future years will be used to test the impact which an intensive service-learning experience can have on the cognitive, affective and skill development of a group of youthful offenders aged 14-18. An integral part of this demonstration project is to assist young people to develop basic educational competencies through involvement in a service-learning experience. Through the Learning Component, the youth participant will:

1) develop cognitive and skill competencies and values as the youth identifies his/her needs for these competencies during involvement in the Service Component. Tutorial help, special educational materials, individualized learning programs, and other resources will serve to supplement and reinforce the learning experience and the attainment of basic competencies.

2) prepare for, process, and evaluate the service experience through group seminars supporting the learning process. These seminars will incorporate behavioral and job-related skill development, will take advantage of natural and real dynamics, and will operate on the premise that responsibility for personal growth and effective community service lies with the youth.

10 of the 25-30 hours each week that the youth will be involved in this demonstration project will be spent in group or individualized learning activities to supplement and enhance the service experience.

A. INTENDED LEARNING OUTCOMES

It is expected that youth participants will be at various levels of educational competency, and therefore, project staff must be prepared to deal appropriately with the learning needs of each individual participant. While specific learning objectives will be prepared for each youth as related to that youth's special learning needs, it is expected that generalizable learning outcomes for the group as a whole will also be achieved. The staff responsible for managing and directing the Learning Component, supplemented by other project staff and Adult Volunteers as appropriate, will be responsible for facilitating the learning outcomes, i.e., the development of new skills, knowledge and values. As stated in the Summary, three projected learning outcomes have been identified for purposes of measuring the learning that takes place through the service-learning experience. These outcomes are:

1. The youth will make normal academic progress in basic reading, math, writing, etc., i.e., the youth participants' academic progress will be comparable to that of other young people in this population. Established and accepted testing methods will be used at the beginning and at the conclusion of the project to measure the youth's cognitive development. Additional testing will be used during the project to reinforce the youth's achievement of his own personal learning goals.

2. The development of citizenship responsibilities and an understanding of the relationship of self to society as a whole will be examined in light of the research of Lawrence Kohlberg (discussed in the Introduction). Kohlberg's premise is that young people develop judgement and value systems based on direct experiences with ethical questions through interactions with individuals who reason at higher levels than the youth themselves.

3. The youth will develop skills in working cooperatively with other people toward common goals. Skills that will be examined will be limit-setting, following-through, mobilizing human resources, etc. Measurement will be accomplished through established and accepted tests wherever possible; original tests will be developed where appropriate.

These three learning outcomes will be the focus of the project. It is expected however that there are other learning outcomes that will occur, though these will be of secondary importance as they relate to the goals of the project. These other expected outcomes will be:

1. service-specific knowledge and skills, e.g., understanding of mental retardation, the ability to use tools, etc.

2. knowledge of the community and its resources, especially those resources that can be useful to the youth participant

3. ability to learn autonomously, to articulate learning from an experience, and the ability to generalize broad concepts from specific experiences

4. the development of group cohesiveness and leadership skills

5. development and articulation of a personal value system.

B. METHODOLOGIES TO BE USED

The methodologies to be used in achieving the generalized learning outcomes will include:

1. the development of an individualized learning plan that outlines short, medium and long-range learning goals for each youth participant. The learning plan will be developed by a team composed of the youth, the staff managing the Service and Learning Components, the youth's parents or guardians, and other educational specialists as appropriate. The learning plan will be based on an initial and continuing diagnosis and monitoring of the youth's skill, cognitive and value development, needs and achievements and will incorporate the following elements:

    a. service-learning agreements which delineate the tasks to be performed during Phase II and Phase III and the specific learning objectives/outcomes, both short-term and long-range, of each task;

    b. development of basic educational and academic competencies in reading, writing and arithmetic. The attainment of these competencies will be supported by such special learning resources as programmed learning modules, and by individualized attention from the Learning Component manager and the Teacher Aides.

2. the involvement of the youth participant in group seminars and other group activities during which the Learning Component staff helps to prepare youth for new experiences gained throughout Phase II and Phase III and assists the youth in extracting specific learnings from the experience. Group seminars and activities will include:

    a. facilitating the youth participant's identification and assessment of his/her own personal skills, knowledges and values through such techniques as individual and group exercises in life-work planning using, for example, procedures developed by Richard Bolles of the National Career Development Project;

    b. facilitating the processes of team building and group problem-solving, and the development of and use of a self-governance and sanction system;

c. facilitating the discussion of the service experience as related to broad social issues and values, and involving outside experts to serve as additional resources to the group;

d. other types of group activities as appropriate, e.g., outdoor survival experiences.

VI. NOTES TO POTENTIAL GRANTEES ON EVALUATION REQUIREMENTS

This demonstration project will serve an important function as a pilot site for the preparation and field testing of evaluation procedures to be used subsequently with replications of the service-learning project at other sites. The purpose of such future evaluation efforts will be to assess the effectiveness of service-learning activities relative to other educational activities in terms of participants' cognitive and affective status. In anticipation of that work, consultants to ACTION will be developing:

- procedures and instruments for measuring the type and amount of service-learning activity each participant receives, as well as;
- procedures and instruments for measuring selected outcomes of service-learning activity.

By way of support for the consultants' efforts, the grantee will be required to:

- Form one or more control groups of youth who will not be participating in the project.
    - Develop a reasonably homogeneous group of potential participants which is at least two times the size of the eventual project group.
    - Arrange for random assignment of potential participants to either the service-learning project or some alternative (preferably traditional) educational activity.
    - Arrange to obtain test data on several occasions both from the service-learning project group as well as from the control group.
- Devote up to 15% of project staff time to management activity related to the evaluation (i.e., obtaining necessary clearances, scheduling test administrations, maintaining a simple system of participant and staff records, briefing consultants, etc.).

Senator **Cranston**. Have ACTION Agency officials been involved with the President's OMB reorganization project personnel with respect to possible realinement of ACTION Agency domestic programs?

Mr. **Brown**. We have been.

Senator **Cranston**. What is the current status of the work of the reorganization project as it affects your programs?

Mr. **Brown**. The position of the administration is that our budget assumptions reflect the anticipation of the administration at this time.

That is, we are asking for an authorization and budget for the programs in anticipation of the programs going forward.

To the best of my knowledge, we are at least several months from any kind of determination within the administration as to any kind of organizational shift.

At this point I don't anticipate any great shifts, but times change and that might too.

Senator **Cranston**. In your budget presentation, in your discussion of minigrants, you indicate that these grants range in size from a few hundred dollars to a maximum of $25,000.

Isn't this maximum greater than the maximum allowed in previous years?

Ms. **Sugarman**. Yes.

Senator **Cranston**. Why has the maximum been raised?

Ms. **Sugarman**. In our initial year as we began to work with national private voluntary organizations, it came to our attention that they were, in trying to assist their local entities, having much confusion and unnecessary competition for minigrants and proposals that came in.

This first came to our attention about with a proposal for Accountants for Public Interest, where they wanted to work with eight of the local chapters, and most administrative costs were handled at the national level.

We are not suggesting by any means that there will be an excessive number of national grants at the $25,000, but where a project would come in with a multigeographic effect, yes.

Senator **Cranston**. How many grants have been let at the $25,000 level, and how many will be?

Ms. **Sugarman**. This is a proposed change.

Senator **Cranston**. You have not let any yet?

Ms. **Sugarman**. No; but it certainly would have helped.

Senator **Cranston**. What is the status now of the Agency's efforts, about which we have been communicating back and forth for almost 2 years, to provide civil service status for former Peace Corps employees whose 5-year term of service has been completed?

Mr. **Brown**. When I testified earlier a year ago, while testifying on it I was somewhat skeptical about it. I have met with present and former Peace Corps volunteers, and they have convinced me that the longstanding of this committee and members was a correct one, and as a consequence, we moved to see how to resolve that.

One way is through executive order. The other is through legislative action.

Frankly, the reorganization—we have sought an executive order to provide that. We felt that was the quickest way. In light of the

130

change from the Civil Service Commission to the Office of Personnel Management, whatever, it is someplace at this point in the machinery but not yet out.

It may have turned out that the judgment about the quickest way to get it done may not have been the quickest way, but that, in any case, is where it is.

We have requested it, sought it, and hope we will have it shortly.

Senator CRANSTON. I would appreciate it if you would go back to OMB and tell them how I feel.

Mr. BROWN. It is also in our fiscal 1980 legislative submission. So if the Congress can get to it before the executive branch can get to it, one way or the other.

Senator CRANSTON. Is that the Peace Corps bill?

Mr. MARTIN. It was in our proposal to OMB which is still there. It has not been officially cleared by the administration.

Senator CRANSTON. What efforts are you making to insure that former Peace Corps employees, as well as current Peace Corps employees, can benefit from this new procedure?

Mr. MARTIN. That is not included.

Senator CRANSTON. I think it is important that they be included also. That has always been our position.

In your fiscal year 1980 budget request, for the first time, the Agency is asking to use program money for evaluation purposes.

Has program money, in addition to title IV money, ever been used in previous years for evaluation purposes?

Mr. BROWN. It has not. When we made the determination that we should make this adjustment, we came to the Congress with appropriate notification.

Senator CRANSTON. What led to that determination?

Mr. BROWN. One of the consistent criticisms at large about volunteer programs in particular, and Federal programs in general, is that the quality of evaluation has not been all that it should be.

I think that holds true for us, not because of the lack of expertise, but because of the lack of funding. We felt it was important to tie the evaluation directly to the program, to be sure there would be money available to evaluate the programs.

That is why the money is clearly identified with the program budget in such a way that it will not be used for administrative purposes.

Senator CRANSTON. The effect is to diminish direct program activity and increase administrative costs, is that right?

Mr. BROWN. The effect is, we hope, to provide better information to the Congress by which to determine what program levels should be in the future. We recommend increases in program levels to reflect evaluation costs.

We don't want to diminish any ongoing programs.

Senator CRANSTON. You are making clear to the Appropriations Committee you are using program money for that purpose?

Mr. BROWN. Yes.

Senator CRANSTON. I would like to move to questions on the report of the investigators for the House Appropriations Committee. But before doing so, could you give us your general comments and perspective on this report.

Mr. **Brown**. It is important to look at this report in perspective. Nearly 1 year ago now, a series of allegations were raised by one member of the Appropriations Committee in the House with regard to a wide range of activities alleged to be happening within the Agency.

The most serious of those regarded politicization of the Agency including union activity, fraud, and conflicts of interest. The committee then initiated an investigation, and had about six investigators full time in the ACTION Agency for a period of about 6 months.

At the conclusion of that period of time, the basic finding was that of the 21 allegations raised by the Member, 17 of the questions raised and allegations made were so thoroughly without a basis in fact that they were not even dealt with in the report.

Regarding the other four, they included findings of union activity. One volunteer in Rhode Island on one occasion wrote in a union newspaper. Another volunteer in Louisiana, encouraged domestic workers to get together. That is the total substance of the finding with regard to union activity, one of the most devastating of the charges.

The interesting thing is that we found those instances and stopped it then. It was not the investigators and not the House committee, but our own monitoring system which found the problems. We drew them to the attention of the investigators.

The same holds true of the political activity allegation in which one volunteer was found driving somebody to the state capitol. We have 4,000 volunteers. We may have had four or five people who got out of line.

We found those people, and we stopped the appropriate activity. In one instance, a VISTA supervisor was fired for failing to give adequate instruction to the VISTA volunteer.

We have taken the corrective action. Let me say one other word about the investigative report's conclusions.

There were no findings of ethical violations. There was no finding of fraud, and no illegal activity sanctioned by the ACTION Agency. That is the substance of the findings.

I believe the main origin of the investigation in the first place was, in fact, one of a difference about program philosophy. The VISTA national grants program, which was the focus of the investigation, is a program initiated to begin capacity building and organization building at the community level. That clearly is a position and a direction some people don't approve of.

An example of this approach is a corporation developing sales capability for low income farmers so they can be their own middleman as it were. In that way they could get more of the money in their pockets.

There will be some people who oppose that, who think that those people should not be helped out of poverty, but that they should be left right where they are.

The origin of this concern is largely political, and based on a coherent political philosophy. It is not based on any widespread and wild allegations which, of course, find their way onto the front page. The response to the allegations, I might add, finds its way onto page 34 in a corner someplace.

After the report was written, but prior to the normal process which would have allowed the Agency to respond, it was systematically leaked to various members of the press in such a way th there was no opportunity for the Agency to respond.

I was first informed that the report was printed when a newspaper man called me and asked me for my comments, which is not, it seems to me, a reasonable way to do business.

We have since then received a copy of the report and have been given 6 weeks to respond. We will respond by February 15, and when the response is in, and people can see the balance that is normally apparent in any investigative report, I believe you will discover those allegations have little substance in fact.

Senator **Cranston**. Please give us a copy of that formal response when you make it.

[The report and the formal response referred to are included in the appendix.]

Senator **Cranston**. I do have some specific questions I wanted to get into. One of the recommendations of the investigative staff was that the ACTION Agency should adopt a policy of filling agencywide support offices with civil service personnel only, and not with foreign service personnel.

What is your reaction to this recommendation?

Mr. **Brown**. The Agency fundamentally disagrees with that based on both statute and history. I think Mary Leyland, Associate Director of Finance and Administration, would be in the best position to comment.

Ms. **Leyland**. The authority for the appointments under the foreign service is vested in Mr. Brown. The Agency, when it was formed by Executive order, incorporated the authorities of the Peace Corps component and the other components. It was provided at that time, after long discussions with Civil Service Commission, that both hiring authorities would be incorporated into the Agency. As long as positions in the Agency partially support the Peace Corps, it is agreed that they can be filled under the foreign service or general schedule.

That is where it stands.

Senator **Cranston**. Investigators also indicate that the ACTION Agency staff members appointed by you received substantial salary boosts when they came to the Agency. In eight cases reviewed, it is alleged the appointees realized salary increases of over $15,000 each per year.

How do you respond to this?

Mr. **Brown**. I would like to provide a comment on the use of the Foreign Service since I became Director.

We have been very careful on how we use the Foreign Service authority to be sure it was always for positions partly supporting the Peace Corps. We used it in a very limited way as distinguished from previous administrations. In the past, it was used with no merit system in a way that was offensive to the Civil Service Commission.

In terms of the past earnings, on legal grounds, the civil service regulations clearly permits that. In fact, it is a common practice used in all Federal agencies to consider experience as well as past earnings. The Civil Service Commission specifically does not limit that practice.

The important thing is that many of the people that came to work for this agency have one or more of the following three characteristics: first, they are women, historically underpaid in this society. We felt we ought not to perpetuate that underpayment, just because in the past they didn't get an even break. In one particular instance there was a highly qualified woman who in fact received a substantial raise because she had been at a level substantially below what is equitable.

Second, they are people who have a history of pro bono or public service work. For example, the city council person who is paid $6,000 a year for a double time job—because that's the way it is, and that is the way it always has been. We think what is important is the quality of skills that those people have, not simply their past earnings record. The person who runs a hospital fundraising activity with 400 or 500 people under his or her direction may have done it as a volunteer. That does not mean that the person's managerial skills are not of a very high level.

The third characteristic is that many of these people are minority people who have historically been underpaid. We don't think we should perpetuate that.

Senator CRANSTON. If their skills are what you say they are, I'm sure that is a very effective answer.

Sam, I would like to read a statement from the report and ask for your comments on it.

> The investigative staff found that the Agency used its consultant appointment authority extensively and improperly to facilitate the early placement of personnel hired incident to the change of national administrations, hired experts to serve in ongoing staff positions, set pay at levels not commensurate to past earnings, and incorrectly designated all employees hired under the special authority as experts, regardless of work to be performed.

What is your reaction to this?

The report points out also that your Agency has two Deputy Assistant Directors of Administration and Finance, one appointed under the civil service system, and the other serving under a Foreign Service appointment.

What is the current status of this situation, and what is being done to resolve it?

Ms. LEYLAND. At the time there are two persons in the position of the Deputy Assistant Director for Administration and Finance. Only one of them is actually serving in the position in the Agency, however.

The other individual was nominated for long-term training about a year ago, and went off on that long-term training. During the absence I filled the position with someone using the time limited appointment authority.

If the individual we sent on long-term training had had to go on maternity leave, I would have done the same thing. That is provided for in the civil service system.

At the conclusion of the long-term training, the individual who normally had been sitting in the position secured a position in teaching, and is presently working at the Defense System Management College on reimbursable detail. That is to say, they are paying for his services.

The individual who is temporarily in the position is functioning very well indeed.

Senator **Cranston**. How long can that double incumbrance exist under the civil service rules?

Ms. **Leyland**. I don't know the answer.

Senator **Cranston**. Can you check the rule?

Ms. **Leyland**. Certainly.

[The following was provided for the record:]

Question. How long can that double incumbrance exist under the civil service rule? (referring to the two Deputy Assistant Directors of Administration and Finance)

Answer. There is no provision under federal personnel regulations which prescribes any specified time limit.

Senator **Cranston**. The following questions concern the findings of the House investigative staff with respect to the VISTA national grants program.

The following statement appears in the House report:

> A combination of poorly trained supervisors and inadequate monitoring has resulted in national grant VISTA's becoming involved in restricted staff-related work, union organizing, and political activities. These situations may not have developed if project supervisors had been better trained to draw the line between proper and improper VISTA activity, and if the State directors who might ordinarily have been expected to pick up the violations, had an interest in monitoring the projects properly.
>
> State officials were almost unanimous in feeling that they had little input into the program, and, as a result, placed national grants at the bottom of their priorities. The impression was given that national grants was regarded as a Washington program, and state officials did not want to be involved.

How do you respond to that?

Mr. **Brown**. Ms. Tabankin will respond to some of the details, but, let me say that the volunteers themselves were asked to evaluate their training, and the national grant volunteers, as a whole, gave better ratings than the standard grant VISTA volunteer; 80 percent rated national grants training as being good or very good.

So there seems to be some disparity between perception by the investigators, and the experience of people who participated in the program.

Ms. **Tabankin**. Eighty percent of the grant volunteers found training very satisfactory or even better, as compared to 41 percent of the standard volunteers.

I would like to comment on the State directors' comments. I think there was somewhat of a partially legitimate finding.

When we started the national grants program—any new program does create stress, anxiety, change. We didn't know the field staff well. They didn't know us well. They did not understand where we wanted to go or why.

What is very heartening is that we are in the renewal process, and many, many of the State directors are either asking to pick up the national grants components as their own State project, or thoroughly endorsing the national grant component in their State.

Senator **Cranston**. Thank you.

Doesn't the act in section 404(a) prohibit the use of volunteers to perform activities which would otherwise be performed by paid employees, and would not use of VISTA volunteers for staff-related work thus violate the law as well as Agency policy?

Mr. **Brown**. Yes.

Ms. **Tobankin**. I think that finding was a nonsocial scientist perspective of what a staff position is. Whenever you are performing volunteer service—for example, when you are doing a community development project, and you start out by teaching some youngsters prior to receiving the grant money so they could have a paid teacher come in, that could be viewed as staff work.

In no way have we done labor displacement. In fact, that is the very kind of things we have tried to stop since Mr. Brown became Director.

Mr. **Brown**. I might add that, in the past there was substantial use of VISTA volunteers as staff workers, particularly with the State agencies. I disagreed with that approach. To my knowledge, there is not a single VISTA volunteer currently being used in a staff displacement role.

I have a summary response of the charges which you read, the unionization and the political use charges, and I would like to submit that for the record. I think you will see that the charges, when looked at in detail, are at best trivial. And in each case, the Agency found them and stopped them.

[The following was provided for the record:]

Question. What are the Agency's summary responses to charges of politicization? (Provide a copy.)

Answer. A copy of the summary responses is attached.

INTRODUCTION

Congressman Michel alleged last spring that ACTION was intending to use its volunteers as a political force in this country. The Investigative Report contains absolutely no evidence to support this charge. It does not find any patterns of political activity of volunteers, or any intent on the part of program officials to have volunteers become involved in political activity.

The report does indicate five isolated instances where volunteers became involved in prohibited activities. Three of these instances were detected and stopped by the agency in the course of its normal monitoring procedure. The other two had ceased by the time the agency became aware of it. The attached pages are a detailed account of the facts surrounding the investigator's findings in this area. The investigators looked at six out of a total of 12 national grantees. Out of these six grantees, who together were allotted approximately 300 VISTA volunteers, the investigators found the following proscribed political activities undertaken by VISTAS:

INVESTIGATION FINDINGS	FACTS
I. ACORN:	I. ACORN:
1. Two ACORN VISTA's in Arkansas performed proscribed activities -- made appointments for ACORN's political committee to meet the candidates; sent flyers endorsing a slate of candidates to neighborhood centers for further distribution. (Page 51-52, Report)	1.A. On one occasion, when the APAC person who regularly picked up the flyer didn't show up, a VISTA volunteer did carry the flyers from the ACORN office to the APAC person while on his way to another activity. He did not bring it to his neighborhood group leaders for further distribution as the report states. B. The charge of scheduling appointments for ACORN's political committee (APAC) was only done once, at a night meeting, by one of a group of three VISTAs. It was not a routine nor major part of the VISTA's work.
2. ACORN VISTAs in St. Louis, Missouri, routinely engaged in taking ACORN groups to the state capital (Jefferson City) to meet legislators and lobby for particular bills.	2. One VISTA did in March 1978, drive a group of people to the state capital so that they could express their opinions to the legislators on a generic drug bill The VISTA did not lobby for the bill in any way. She was involved in a low income neighborhood group that was directing its attention to the problem of redlining, and merely drove them to the capital so that they could express their opinion. Although the VISTA's activities could not be fairly characterized as "lobbying", the Missouri State Director in June 1978 prohibited any such future activity so as to avoid even the appearance of improper conduct and because such activity was outside the geographical boundaries of the VISTA's assignment.

INVESTIGATION FINDINGS

I. ACORN

3. In New Orleans, five VISTAs were actively working with the HWOC (Household Workers Organizing Committee), a United Labor Organizations subsidiary reporting directly to the ACORN chief organizer, until late this past spring when the ACTION Office of Compliance directed that the assignments be terminated. Also, there are no safeguards, of which the Investigative Staff is aware, to prevent membership dues solicited by VISTAs from being used for labor organizing.

FACTS

I. ACORN

3. Five VISTAs in New Orleans were involved in an organizing drive of the HWOC. They distributed material of the Committee, did some door-knocking, and recruited household workers for the February 28, 1978 meeting of the HWOC. Although such activities did involve a substantial amount of the VISTA's time, it's duration was not long. In February 1978 a VISTA at New Orleans notified ACTION of the activities occurring in New Orleans. As a result of such information an audit was undertaken a month earlier than scheduled by the Office of Compliance. On April 3, 1978 the Assistant Director for Compliance notified ACORN to cease and desist the activities.

Concerning the use of ACORN dues collected by VISTA's: prior to the issuance of the final audit report on June 3, 1978, ACTION and ACORN had agreed to take steps to ensure a complete separation between ACORN and its political arm APAC. The Agency's position was a matter of record prior to the end of the investigation.

II. NATIONAL FIRG:

As stated by the investigators in their report: "There is no evidence of any direct VISTA Involvement in the effort." (Lobbying)

III. NAFO:

INVESTIGATIVE FINDINGS

1. While NAFO is not a labor organization, responsible concern has been expressed about the possibility of VISTAs assigned under the grant getting into union organizing activity.

In recognition of the potential problem, ACTION's Office of General Counsel just recently issued guidelines outlining permissible activities for VISTAs in the context of the NAFO grant. It is unlikely that every actual situation will fit "neatly" into one of the several categories of organizing activity described. Further, if the will to enforce the guidelines is lacking, enough room for judgment is allowed to rationalize a wide range of borderline labor organizing activities involving job-related problems.

FACTS

1. NAFO is a nonprofit umbrella organization whose members are farmworker groups across the country. None of NAFO's members are labor organizations, and NAFO does not take part in any union organizing activity. The VISTA's assignment is to help create an organizational structure within the crew which can address the myriad daily problems facing the farmworkers.

In order to insure that their activity will not enter the proscribed area of political or union organizing activities the General Counsel's Office's guidelines for the grant's operation were drafted. The guidelines restrict any VISTA involvement in activities involving an established union, or activities relating to the terms and conditions of employment. Only those activities that involve non-work related issues (food stamps, education) or those that, although job related, may be referred to the proper agency for resolution, are appropriate for VISTAs. VISTAS shall not involve themselves in issues that must result in direct confrontation with the employers on issues germane to their employment.

Contrary to the report, ACTION does not assume that NAFO will act in bad faith in their implementation of these guidelines. However, the availability of ACTION for both supervision and guidance throughout this grant should suffice to quiet the potential problems foreseen by the investigation staff.

IV. MIDWEST:

INVESTIGATIVE FINDINGS	FACTS
1. The investigation found two VISTAs involved in union organizing activities in Rhode Island. The report states that subsequent to their visit, ACTION's Office of Compliance reviewed the project and issued an order to discontinue such use of volunteers.	1. The Rhode Island Workers Association in Providence, Rhode Island (RIWA) has two VISTA Volunteers assigned to it through the Massachusetts Community Center, Inc., which is a recipient of VISTA's under the Midwest Academy grant. One of these volunteers was working on a project with the Jewelry Workers Organizing Committee (JWOC) in which he wrote a newsletter with an article critical of working conditions in the jewelry industry for the JWOC and distributed it at jewelry plant gates and at the unemployment office. However, the volunteer spent most of his time answering telephone calls and helping people with unemployment matters, food stamps, health care and associated problems. Although the Volunteer claimed he did not associate with union efforts in any way, the newsletter he wrote and distributed contains numerous references to the low wages and substandard working conditions of jewelry workers in the Providence area, the need for workers to join together, and, as an example of such group activity, a description of a union election at one plant. According to the travel report submitted by the investigators, they visited Rhode Island on August 20 to August 27. Raul Rodriguez, Assistant Director for Compliance visited RIWA on June 29, 1978; received an opinion from the General Counsel on August 22, 1978 stating that the activities were proscribed, and ordered the activities to cease on September 1, 1978. Thus, two months prior to the investigator's visit, ACTION had themselves investigated the matter and four days after their visit had ordered the activities stopped.

CONCLUSION

The investigators did not report any findings of VISTA's involvement in political activity or union organizing in either La Raza or NCUEA. Although the investigators voiced their concern on the potential for VISTA's being involved in inappropriate activities in both NAFO and PIRG, no evidence of abuse was found in these grants. In Midwest and ACORN the investigators found evidence of VISTAs involved in proscribed activities. Of the five instances reported by the investigators, ACTION identified and stopped the activities in three instances. The two occasisions discovered initially by the investigators were one-time incidents.

Thus, out of over 470 VISTAs in the 12 National Grants the amount of proscribed conduct discovered was five instances involving nine volunteers. ACTION does not condone these instances and will continue to carefully monitor all its volunteers through annual audits and state directors' supervision. When viewed in the context of VISTA's activities (over 4,000 volunteers in 760 projects), the extent of prohibited activities of VISTAs found by the investigators is limited.

Mr. **Brown**. That is my commitment to enforcing the legislative prohibitions, and we have done that.

Senator **Cranston**. We have to take a 2-minute break, and we will be right back.

[A brief recess was taken.]

Senator **Cranston**. The hearing will resume.

The investigators implied that the ACTION Agency State directors saw problems with awarding the national grants, but that their comments were ignored or overruled by headquarters staff.

What has the Agency done to respond to this criticism, and to involve State directors more fully in the grant process?

Ms. **Tobankin**. You will see in our response that charge will be fully answered. I think the charge was primarily unfounded, that we did consider State's comments very thoroughly, and in some cases, we did not fund projects because of State directors' comments. In other cases, we felt they were wrong, and there was a lack of familiarity with the areas in question.

Part of the confusion happened because of a new system—we are just getting it up, and we probably did not communicate enough and quickly enough to them why we were making the decisions.

I think we can say their comments were very thoroughly reviewed. This year that problem has seemed to stop occurring, and in fact, we are getting enthusiastic support as to the quality and putting forth a yes recommendation to the renewal of these projects.

Senator **Cranston**. The investigators report includes excerpts from training materials handed out by the Midwest Academy national grantee. The handouts certainly are questionable and inflammatory.

Do you approve of these materials?

Mr. **Brown**. No, those materials were not approved by the ACTION Agency at any time.

Senator **Cranston**. What did you do when you found out about it?

Did the Agency approve the materials?

Ms. **Tabankin**. They were approved with the disclaimer that they were not approved for use by the VISTA volunteers either covered by the Hatch Act or by the domestic program. This disclaimer was put on them and fully explained to them many times orally.

Senator **Cranston**. Why were they in the training material if such a disclaimer was necessary?

Ms. **Tabankin**. Primarily because they were methods of showing what the community development projects have done in other parts of the country. It was therefore——

Senator **Cranston**. As a good example or a bad example?

Ms. **Tabankin**. They were just deleting sections of the older curriculum. They now have done that so that is no longer an issue.

Senator **Cranston**. Don't you think it shows poor judgment on the part of the contractor?

Ms. **Tabankin**. Yes, in a way, and no, because of the speed with which they were trying to get it up. I think they did go to extreme lengths to try to explain the differences that volunteers face from regular community residents trying to act on their own behalf.

Mr. **Brown**. That has been changed, and those materials will not be used for future training sessions.

Senator **Cranston**. There ought to be a more careful monitoring system to see that that sort of thing is not repeated.

Mr. **Lewis**. Mr. Chairman, during the past 18 months I have had an opportunity to travel all across the country and look at the ACTION programs, and visit with the State offices from Maine to California, and our staff, our field staff, is a highly professional staff.

It is required that at all VISTA training sites, there will be staff participating and visiting the training. The staff is very, very supportive of the national VISTA grants.

Senator **Cranston**. One of the national grants was awarded to the Community Organization Research Action Project CORAP. The investigators indicate in their report that concern about not reaching a poverty constituency was expressed by several of your State directors in commenting on the CORAP grant.

Would you please comment further on this statement, and provide any explanations that you feel are appropriate?

Mr. **Brown**. Yes, actually, Ms. Tabankin might be in the best position to respond.

Ms. **Tabankin**. I would like to state that we no longer have that grant as one of our national grants. Due to problems we found with the grant, and the grantee probably found working with us, we allowed the grant to terminate on December 26. So there is no longer any problem on the question of State directors' comments.

I think the program review projects did look very carefully at the low-income statistics of the members of the eight core organizations in the various States in which the volunteers were to be placed, and they were fairly low. CORAP pointed to the various low-income people and middle- to low-income people, mostly families earning under $7,000 a year, I think that was one of the things pointed out in the investigative report that did not bear the light of day once it was responded to by us.

Senator **Cranston**. What were the training costs of that project?

Ms. **Tabankin**. I would have to supply that for the record.

[The information requested follows:]

Question. What are the costs of CORAP training?

Answer. Training expenses in the former National VISTA Grant to CORAP totaled $41,712. These funds provided preservice and in-service training to approximately 130 trainees. The cost components are as follows:

Preservice volunteer training	$12,332
Inservice volunteer training	26,880
Training and technical assistance materials	2,500
Total	41,712

Senator **Cranston**. The investigators were quite critical of the agency's management with respect to its procurement process.

Can you justify the irregularities alleged in the report with respect to use of the negotiated method of procurement, rather than the formally advertised procurement method, and the Agency's avoidance of the customary process of synopsizing contract awards in the Commerce Business Daily?

Mr. **Brown**. Mr. Chairman, again Ms. Leyland can best comment. But let me simply say that I don't intend to justify any irregularities, but to correct them wherever they occur.

There were some findings that there were some problems, and the Agency needs to address them. Where there has been a problem we have moved quickly to try to resolve it. The problems were not inherent in the administrative systems, which were very strong, and we have moved to improve them. There have been some problems. Where there are, we have tried to correct them.

Senator **Cranston**. Can you give us briefly for the record what you have done to correct those procedures?

[Information supplied for the record follows:]

Question. Can you justify the irregularities alleged in the report with respect to use of the negotiated method of procurement, rather than the formally advertised procurement method, and the Agency's avoidance of their customary process of synopsizing contract awards in the Commerce Business Daily?

Can you give us briefly for the record what you have done to correct those procedures.

Answer. Refer to Chapter V, pages 78 to 92, of "ACTION's Response to the Report to the Committee on Appropriations House of Representatives on the Policies, Procedures, and Practices of ACTION." This report is submitted for the record of this hearing on page 59, line 25.

Senator **Cranston**. The investigators cite a chronic backlog of contracts completed but not closed out. Their concern is that unclosed contracts often contain unexpended funds which can be deobligated.

They indicate that in fiscal year 1978 the efforts of a single retiree employed part time recovered about $430,000 from contract closeouts.

Is it true that the Agency has more than 600 unclosed contracts, as the investigators alledge?

Ms. **Leyland**. The answer to that is yes, but with a comment. Contract is an all-inclusive word, and included in that number are many so-called personal service contracts that the Agency lets with individuals. Usually, these are very small dollar amounts, and for small, ad hoc assignments.

The number of contracts of big dollar amounts—"big dollars" in this instance would be in excess of $50,000—is very small. ACTION makes about 45 to 60 contracts per year totaling about $10 to $12 million. In fiscal year 1977 and fiscal year 1978, we closed out 125 contracts each in excess of $50,000.

Senator **Cranston**. Do you have any idea how much money could be deobligated if unclosed contracts were closed out?

Ms. **Leyland**. I can look at the number and I can provide an estimate.

Senator **Cranston**. Can you give us an estimate for the record?

[The information supplied for the record follows:]

Question. How much money could be de-obligated if unclosed contracts were closed out?

Answer. We estimate approximately $205,000 might reasonably be expected to be recovered when all 457 existing contracts which are inactive but remain "open" are closed out. This estimate is based on experience in Fiscal Years 1977 and 1978 when a total of 125 contracts were closed out with an average recovery of $448 per contract.

Ms. **Leyland**. Before one may close out on a contract, an audit must be done, and an audit analysis for or against the contract.

So it would be a best-guess until the audit was produced.

Senator **Cranston**. What do you intend to do beyond what you have indicated?

Ms. **Leyland**. Management is one of the things this administration is very concerned about. We will try our very best to close out those contracts. I might add some contracts have very old lives. We inherited them from OEO when ACTION was established in 1971.

Senator **Cranston**. Do you have any timetable for achieving that goal?

Ms. **Leyland**. Yes; I am trying very hard.

Senator **Cranston**. What is your timetable?

Ms. **Leyland**. This year we will continue the dramatic reduction we began last year. If we continue to close out nearly twice as many as we make, we will soon be down to a manageable working number.

Senator **Cranston**. The House investigators suggest that a procurement orientation course for technical personnel could help the program personnel improve their understanding of the contract process, and the need for improved business practices within the Agency.

What do you think of this suggestion?

Mr. **Brown**. It is true, and it has already been undertaken by the Agency. There is a process already started for training for program personnel. It is a legitimate concern.

Senator **Cranston**. The investigators suggest that the merger of the EEO function with the Inspector General function creates both the appearance of and a real conflict of interest.

Would you comment on this please?

Mr. **Brown**. We disagree with the recommendations of the investigators. ACTION is a very small agency. The Compliance Office which the EEO and IG functions itself is relatively small in terms of the number of staff.

There are two elements to consider: The Inspector General Act, which was passed last year, does not include ACTION, although we do have an Inspector General. But what it specifically says is they should not be given a program responsibility where there may be a conflict.

Our situation is one where there is virtually no possibility of conflict of interest because the Compliance Office has very, very little program responsibility. If there was ever an EEO charge launched there, I would expect the Inspector General who reports to me to ask for an independent investigation outside of his own office.

It was a cost-efficient decision, frankly, to consolidate two small offices under one head rather than having two very high-level people running different functions, each of which had 8 or 10 staff people.

Senator **Cranston**. Would you generally comment on the provisions in my bill, S. 239, concerning the urban programs? Can the Agency live with those provisions?

Mr. **Brown**. Let me comment in about that legislation's programs over the past year.

First of all, the staff of the committee and your staff have been tremendously cooperative in attempting to work out the problems that we faced a year ago and to reach agreement in order to have a piece of legislation which was both your position and the position of the committee, and also reflected the administration's concern.

I think S. 239 represents the result of a solid process of attempting to work things out together so that we can have a piece of legislation which the administration can support.

Consequently, there is a great deal more agreement between S. 239 and the administration's position than there is disagreement. However, we will necessarily focus on some of the places where there have been disagreements.

But, in general, we have tried to be responsive and to move in directions where you are concerned.

Senator Javits' program, "Helping Hands," has not been incorporated as a specific program, but the legislation is drawn broadly enough to include that proposal.

Without being prepared to say that the administration is prepared to totally accept S. 239 as drafted, I do think there is adequate basis to work out an agreement.

We can talk about where the disagreements are, but basically, we are in agreement.

Senator Cranston. Is it true that in the administration's proposal for urban programs, no provision is made for full-time volunteers. Why is that?

Mr. Martin. Yes; that is correct.

This proposal originally proposed as a part of the President's new urban partnership program, was a program of entirely part-time volunteer service.

We have other volunteer programs, for example, VISTA, where we anticipate we can mobilize full-time volunteers.

But there is nothing specifically in the urban program regarding full-time volunteers.

Senator Cranston. In your budget justification, on page 48, in the explanation of the urban volunteer program, you indicate that eligible sponsors will "most often be already existing," but that in a few special cases where needed, in communities that have no viable organization to be a sponsor, provisions will be made for funding a new organization.

As you know, the intent of the Senate was made clear during last year's consideration of the urban initiative that generally no new entities should be created for the purpose of sponsoring an urban program.

Would you comment on this please?

Mr. Brown. I generally agree that we don't want to get into the business of funding new organizations. We left an opening to fund new entities in a very rare instance where there wasn't an already existing organization.

We certainly don't have any intention to use it broadly but we left it often so if we came across that we would not be precluded.

Senator Cranston. What will be the role of your State directors in the urban initiatives grantee selection process?

Mr. Rodgers. The ACTION State directors would play a key role with the majority of the grants that will be awarded, as is the process with most existing ACTION programs.

In fact, one of the reasons we are comfortable about our ability to implement the urban program in an effective way is that we have the State offices in 49 locations.

The role of the State director and his or her staff would be to work very closely with two basic constituencies, the mayor or chief elected official of the city where the proposed program was to be established, and with the neighborhood organizations and neighborhood people who requested or expressed interest in the program.

The vast majority of these grants would be submitted for review to, and be overseen by our State offices, as is now the case with the foster grandparents program, the senior companion program and other programs.

Senator CRANSTON. Would you compare your program model for the fixed income consumer counseling component of the urban program with the fixed income counseling programs currently operating in Denver and in southern California?

Mr. RODGERS. Those are the models for our proposed fixed income counseling program. I believe you will be hearing witnesses later that are in these programs, and can speak much better than I.

Let me give an example. In Denver, where we have been supporting a demonstration effort for a number of years, skilled and specially trained volunteers are in providing bilingual workshops and material to low-income families, to single heads of households and unemployeds.

This type of resource sharing is exemplary of what would go on in other communities. Similarly, there is the program that I think you are familiar with in Orange County. In Laguna Hills, which is a large retirement community, there are many people who have a lot of skills, and who want to donate those skills, recognizing that in an area we think of as affluent there are many problems of low-income people living on fixed income.

Those are the models we propose to see implemented in their own way in other communities.

Senator CRANSTON. How much does the Agency propose to spend on this program in fiscal year 1979 and how much in fiscal year 1980?

Mr. RODGERS. In fiscal year 1979, for the fixed income consumer counseling program, we propose to have 10,000 part-time uncompensated volunteers in 25 communities, funded by $1,250,000. Our entire proposal in the fiscal year supplemental request is for $4,680,000 to begin the urban program in the fourth quarter of this fiscal year.

Senator CRANSTON. What will be the relationship between other ACTION Agency programs and volunteers, on the one hand, and urban initiative programs on the other?

Mr. RODGERS. It will be a very close and cooperative one. Just to give an example, the retired senior volunteer program is a tremendous resource that could work very closely with and benefit the fixed-income counseling effort.

Senator CRANSTON. What percentage of your fiscal year 1979 and 1980 budget requests for the urban volunteer program, including those for program support, is for administrative overhead?

Mr. RODGERS. We are requesting $119,000 for administrative support in fiscal year 1979.

Senator CRANSTON. How many additional agency staff?

Mr. RODGERS. In the fourth quarter we do not propose any new permanent staff. We would propose a small amount, $28,000, to support temporary employees, but basically that money will go to the startup costs, travel by our State program officers to the proposed sites, development, and publication of printed material, such regulations, handbooks, and workshop materials as might be required.

Senator CRANSTON. Would you give us for the record a list of where they will be stationed?

[Information supplied for record follows:]

Question. Where will the urban program staff be stationed and what will they be doing?

Answer. The implementation and support of the Urban Program is based upon current ACTION philosophy regarding the management and delivery of all of its programs. This philosophy includes the following core principles: Decisionmaking should be as close as possible to the community being served; policies, processes, and procedures should be simple and understandable; full utilization should be made of existing agency structures, systems, and personnel minimizing the creation of new structures and procedures; program management structures should create an environment which allows the community to have the widest possible latitude to influence program purposes to reflect community needs; and the role of ACTION is to set program parameters which reflect legislative and administrative direction while encouraging local initiative. ACTION staff then provide support to the community while assuring effective and responsive utilization of Federal resources.

Consequently, ACTION is requesting 89 new positions to staff and support the Urban programs in fiscal year 1980. Of these, 7 will be utilized in Agency-Wide Support office roles and 82 will be used to perform direct program implementation management functions through the Office of Domestic Operations.

The seven positions assigned to Agency-Wide Support offices will be utilized to provide necessary administrative support as well as evaluation, auditing, and program and policy analysis functions required by the new programs.

Of the 82 positions to be assigned to the Office of Domestic Operations, 27 will make up the staff of a Headquarters Urban Volunteer Programs Office responsible for national program management of the various Urban Program components. This management function will include short and long range planning, development of policy and guidelines, national resource allocation, staff training and technical assistance, inter-agency liaison, and responsibility for or participation in the conduct of program.

The remaining 55 positions will be assigned to ACTION's field operation. Urban program delivery will be through this network of state and regional offices. By building on this established organizational base, ACTION can reduce the requirements for additional systems and large numbers of additional personnel.

ACTION's field offices will be responsible for the day-to-day management of all projects including allocation of resources within regions and states, provision of technical assistance to sponsors and potential sponsors, selection of grantees, monitoring of project activities, project data collection and dissemination, and public relations.

It is estimated that, of the 55 positions assigned to the field, 40 will be to state offices and 15 to regional offices.

Roles of these field staff assisting in the administration and management of urban programs will include State Program Officers, Grants and Contracts Specialists and Assistants, Fiscal Assistants, and Clerks.

Mr. BROWN. There is in fiscal 1980 a recommendation for 82 additional positions in the program on an agencywide basis, costing $2.1 million, or some place around 10 percent of the program costs.

By some changes in the legislation which would permit joint administration of some of the programs, we have cut staff substantially from the proposal that we had originally.

Senator **Cranston**. You propose in fiscal year 1980 to award approximately 1,700 good neighbor fund grants. What system have you developed for allocating and then monitoring such a great number of grants?

Mr. **Rodgers**. We have experience with the minigrant program, and that has given us a capability to fund and adequately oversee very small grants.

As you know, most of the minigrants have been under $5,000 as will be true in the case of the good neighbor fund where we are proposing, grants averaging $7,000, but not to exceed $15,000.

We want to make this a simple process. We feel that our capability of responding, and the community's capability to use the money depends on our not getting involved in a lot of redtape and paperwork.

John McKoy, who has been working on this process, will provide an example.

Mr. **McKoy**. We will focus the good neighbor grants on distressed urban communities that have a high incidence of poverty and of high unemployment. This is the primary focus, and we mainly will get the information from the census.

Senator **Cranston**. Would you give us a report on that?

[Information supplied for the record follows:]

Question. What is ACTION's plan for monitoring the Good Neighbor Fund? What will be the averag[illegible]t for monitoring a GNF grant?

Answer. ACTION plans for safeguarding the integrity of Good Neighbor Fund (GNF) grants include the following processes:

Potential GNF grantee applicants will be checked by an ACTION state program officer to determine the groups' capability to perform the tasks which they propose. These checks will be performed through telephone calls and site visits.

All grantees will be required to furnish evidence of non-profit status and ability to manage and account for funds as part of the application process.

Participation of mayors and other elected officials will help assure that grantees selected have the ability to administer funds in an efficient manner.

All GNF grantees will be subject to the established technical assistance and monitoring procedures of the Agency performed, for the most part, by state program officers.

Approximately ten percent of all GNF grantees will be formally audited, both in terms of program and budget. It is estimated that each audit will cost an average of $200

In cases where the Agency has reason to suspect the existence of improper uses of GNF funds, its Office of Compliance will perform investigations and audits as necessary.

Senator **Cranston**. You indicate in your budget submission on page 98 that one of your objectives for fiscal year 1980 for the urban volunteer program is to provide increased training to project directors and staff through the use of contracted training services on a regional basis

As you know, last year during Senate consideration of the urban programs, serious objections were raised about the funding of regional resource centers. The Senate bill, in fact, prohibited the Agency from providing grants for such centers.

So does S. 239. What is the relationship between the training efforts referred to on page 98 and the regional resource centers discussed during last year's consideration?

Mr. **Brown**. There are no regional resource centers in our legislation this year.

Senator **Cranston**. How will community ACTION agencies be involved in the urban volunteer program under the administration's proposal?

Mr. **Brown**. We are well aware of the concern of this committee, which is also a strong concern of ours. As a consequence, the legislation which has been submitted for your consideration this year in fact provides a very strong initial role at every step for the Community Action agency.

Bob Martin is in the best position to comment on the details of the legislation.

Senator **Cranston**. Suppose you give us that for the record.

[The following was provided for the record:]

Question. How will the Urban Programs relate to Community Action Agencies Under the Administration's Proposal?

Answer. Our proposed legislation contains special provisions to assure that Community Action Agencies will have an opportunity to be fully involved in all our Urban programs. These include:

1. A requirement that ACTION consult with the Director of the Community Services Administration before issuance of regulations for the Urban Program.
2. A requirement that these regulations include criteria for the designation of lead agencies which require that special consideration be given to organizations of demonstrated effectiveness in serving persons in distressed urban area, in mobilizing volunteers, in coordinating volunteer assistance projects and in working with other public and private agencies and voluntary organizations. These are criteria that many Community Action Agencies will be able to meet easily.
3. A requirement that Community Action Agencies receive individual notice of the criteria and process for the selection of lead agencies.
4. A requirement that the application process assure coordination of the activities of lead agencies with Community Action Agencies to prevent duplication of effort.

Community Action Agencies and programs initiated by them are often the most important and significant institutions operating in low-income neighborhoods. ACTION anticipates that a significant portion of the volunteer energy marshalled through local agencies will therefore be used by CAA's and CAA affiliates. Close and cooperative working relationships between CAA's and urban sponsors will be crucial.

ACTION also anticipates that CAA's and their affiliated organizations will be active participants in both and Good Neighborhood Fund projects and in the Fixed Income Consumer Counseling programs, both as sources of qualified volunteers and as a knowledgeable sources of information about neighborhood needs and groups. ACTION's Urban programs, as mobilizers of volunteers, will also strongly reinforce CAA activity in distressed areas by bringing volunteer resources to bear on community problems in concentrations not previously available to CAA's.

Senator **Cranston**. I thank you for the timely submission of your testimony. We do have other problems of a different sort. The late submission of the administration's bill made it difficult, or impossible, really, to ask questions about it.

One member of the subcommittee, Senator Armstrong, states that he is concerned that the lateness of the transmittal precludes comment by the witnesses at today's hearings on any questions that he and other members might like to ask.

So if we can, we would like to schedule an additional hearing on the administration's proposal before the committee begins its markup. I have a letter from Senator Armstrong making that request.

I am afraid we have to do that. I am sorry that entails some delay, but it is a very reasonable request that we have to honor.

Senator Humphrey had some questions too, so we will have to schedule another meeting. I do thank you for being so well prepared for all of the questions we fired at you, and for your attendance.

Thank you.

Mr. BROWN. Thank you. Our only concern would be one which is the timeliness of the getting the authorization, so we can in fact move on the appropriations.

Senator CRANSTON. We share that. But we are now thrown off a little bit.

Thank you very much.

[The prepared statement of Mr. Brown follows:]

STATEMENT OF SAMUEL W. BROWN, JR.

DIRECTOR, ACTION

SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES

FEBRUARY 8, 1979

Mr. Chairman, members of the committee, it is again my pleasure to appear before you as the representative of over 273, 000 Americans who are volunteering to help the poor help themselves and serving their communities in every one of the fifty states.

We come before this committee to request the re-authorization of ACTION's domestic volunteer programs and to request your authorization to begin an Urban Volunteer program as part of the President's urban policy. As you know, we submitted our domestic legislative proposals on Tuesday which we would like to discuss today. Our proposals differ in some respects from S. 239. Obviously, we prefer legislation in the form proposed by the Administration.

Our request for reauthorization of our programs reflects this administration's continued commitment to helping those who help themselves and their neighbors. It is rooted in the most basic of American values - equality, participation, self-reliance - and in the American tradition of helping one's neighbor. In a technical and complex world such as ours it is puzzling for some people to understand how government programs can be so rooted. Yet they are and it is our belief that if this country is to have a new foundation it must be rooted in old values.

In America today, one out of every four Americans over the age of thirteen is volunteering their time to help other Americans. According to the Census Bureau, these Americans are contributing over $100 billion a year in unrecognized value to the gross national product. Much of that value is in the form of services which people in need would look to the government to provide if this network of private organizations didn't exist. We believe that any stimulation of that spirit of caring has the added benefit of contributing services to the economy which would otherwise cost money. This administration believes that if encouraged, and given the technical assistance they need, the American people can do much on their own to help themselves.

Let me begin my testimony by bringing the members of the committe up to date on the progress of our Older American programs. As you know, they have already been reauthorized and we share the strong interest shown by Congress in these programs. We have therefore requested an additional appropriation of $10 million in FY 80.

We are proposing that the majority of this increase, $6,317,000 be used to increase the stipend for the volunteers in our Foster Grandparent Program (FGP) and Senior Companion Program (SCP). These volunteers have not received an increase in their stipend since 1968. It is a measure of the strength and commitment of these low-income volunteers that they have continued to participate in these programs even though the cost of volunteering has substantially increased since these programs were started. They represent the best of the voluntary spirit in America.

We are also proposing that $23,214,000 be earmarked for the Retired Senior Volunteer program. This is an increase of $3,114,000 over FY 1979. The additional funds will be used almost entirely to provide additional support for insurance, to cover transportation costs, and for a 5% increase in administrative costs.

It is our hope that we will be able to continue to provide increased technical assistance to project directors by holding at least one additional regional training conference annually. We have found that one of the most important ways we have been able to help project directors is to provide them with intensive training. Last year, 113 RSVP project directors received advanced training in such areas as deinstitutionalization, crime prevention, energy conservation and advocacy.

In addition, we are making an affirmative effort to increase the linkage between our Older American programs and ACTION's other programs. Our most recent evaluation of RSVP, (September, 1978) indicates that 41% of the 568 projects surveyed have coordinated their activity with another ACTION program. I am firmly convinced that the reason 20% of all VISTA projects are designed to serve the elderly is because VISTA has recognized the important contribution of our OAVP programs. Let me cite two examples of this co-operation:

In New York VISTA volunteers are working with our RSVP in 17 counties organizing the handicapped into advisory groups. These groups are often the only stimulus for the implementation of the new 504 legislation and serve as advocacy groups for the rights of the handicapped.

In Rhode Island, 20 RSVP volunteers and 30 SCP volunteers working with VISTA have successfully enabled the elderly poor to obtain retroactive SSI payments from the state.

We believe these examples demonstrate the value of increased linkage between our programs. Each of them--FGP, SCP, VISTA and our service learning programs -- seek to address the belief that government programs do not directly help people; the belief that people are not allowed to participate in discussions that directly effect their lives; the knowledge that people continue to be segregated and stereotyped because of their age, race or economic condition; the belief that professionals and technocrats are not to be trusted.

It seems to me important to also explain two additional premises on which all of ACTION's programs, both domestic and international, are rooted. First, it is our belief that people's ability to help themselves and contribute to society is not captured by a particular administrative mechanism or service system. There is a need for bottom up development with its emphasis on small programs that directly touch the lives of the poor just as there is a necessity for large macro programs like the Department of Commerce's economic development grants.

Five years ago, Congress responding to what it had learned in the previous decade about foreign assistance directed, in its "New Directions" legislation, that our nation's bilateral assistance programs emphasize bottom up development and concentrate on the, "most common and pervasive development problems". Congress has not been in error. The World Bank, the World Employment Conference in 1976 and most development thinkers have come to the same conclusion: a bottom up, development process which uses both the economic and human capital indigenous to an area offers great hope for overcoming the worst aspects of poverty. In its essence, this development approach recognizes that there is a dimension of the spirit as well as one of economics to development. Both must be nurtured if a community is to prosper. Both must be strengthened if a community is to help itself. Peoples need and desire for dignity can only be sustained if people are able to do things for themselves and see the direct result of their effort.

In the last two years, the Peace Corps has gone through a fundamental transition in order to meet the mandate of Congress and the needs of the developing world. We also have made every effort in the last two years to focus our domestic volunter programs to reflect this development approach. Today, approximately 26,000,000 Americans are poor. Our domestic programs with their emphasis on self-reliance are responding to the needs of the poor for dignity, economic advancement and equality just as the Peace Corps is responding to the needs of poor people in the developing world.

The second fundamental premise which directs our course of action is based on the accumulated experience that we have gained at ACTION. The premise, simply put, is that people should be treated, regardless of their economic or social condition, as part of the solution rather than as part of the problem. The majority of the federal government's programs respond to a specific need -- the need for mortgage loans, economic development grants, etc. Our programs respond to the desire of all Americans to be self-reliant, to be involved, to be generous with their time and effort - to be part of the solution.

With this preface in mind let me turn to specifics.

We are requesting today a three year reauthorization of ACTION's VISTA program. We believed that VISTA is one of the most successful programs the federal government now has for helping the poor help themselves. In requesting a reauthorization of VISTA we are asking that $37,399,000 be appropriated for the next fiscal year. This 10% increase represents the second phase of our planned restructuring and rebuilding of VISTA.

In the last two years, our efforts have been directed at articulating a clear programmatic direction and improving our mangement of the existing program. We are more than pleased with the recovery of this program and with the support these efforts have received from Congress.

VISTA volunteers are now reaching approximately one out of every twenty people who are poor. This is a remarkable achievement for such a small program. Let me cite three examples.

In Minnesota, one of VISTA's elderly volunteers obtained more than $100,000 worth of funding for the Senior Federation Program, organized a ten county discount buying program which serves more than 8,000 elderly people, and helped Senior Citizens organizations to bring about a $31,000,000 cut in utility rates.

Five VISTA volunteers, three of whom are over fifty, are doing a different type of work in New York City. Working with "Adopt-a-Building", a neighborhood self-help housing group, our VISTA volunteers are training neighborhood residents to assume management of owner-abandoned buildings and to rehabilitate these buildings through their own efforts.

In Houston, Texas VISTA volunteers are helping the Houston Metropolitan Ministries, a group of 70 churches, to act as a clearinghouse for community organizations and to provide emergency food to the poor in need. One VISTA volunteer is helping these churches collect the food necessary to serve 800 poor people monthly. Another volunteer, in the same project, is directly responsible for helping the Ministries Association to obtain a $3 million grant for the construction of a Center for the Disabled.

These VISTA volunteers like thousands of other VISTA volunteers are doing what they are trained to do - helping the poor to better their economic and social condition. VISTA has never deviated from the mandate given to it by Congress to help the helpless. VISTA fights poverty.

VISTA is a targeted program. Our objective is to help poor people. VISTA attacks those problems that most seriously injure the poor. If the efforts of VISTA volunteers also benefit people who are above the established means test it is an ancillary benefit. VISTA fights poverty. VISTA does not discriminate against the type of poverty it attempts to alleviate. VISTA addresses those problems that are nationwide in scope such as the scandal in our nursing homes. VISTA also addresses those problems that are endemic to one particular community such as Harvey, Illinois where a VISTA volunteer helped neighborhood residents organize themselves to clean up vacant lots and have speed limit signs posted to protect their children.

VISTA is a non-bureaucratic program. Poverty has many faces; correspondingly VISTA has many facets. VISTA is successful because it is a program that has the ability to adapt to the needs of the people it serves. VISTA is not a program that adheres to a rigid or artificial social plan. Our standard VISTA projects are designed to help local efforts projects whether they deal with runaway youths or teach good nutriton to low-income mothers. Our national grants, like our grant to the Federation of Southern Cooperatives to help small farmers, seeks to ameliorate the economic and institutional forces that effect poor people in every state.

VISTA is a well managed program. We believe that the poor deserve nothing less. We believe that VISTA should be a program that is creative, concerned, and well managed. At times in the past, concerns have been raised about the means VISTA volunteers have used to help the poor. Where they have been inappropriate or ineffective they have been immediately stopped. Where they have been successful they have been emulated. Program improvements have been made in the last year. A national standard for project selection has been delineated and a competitive national grant mechanism has been established. In FY 1980, VISTA will concentrate its efforts on adding approximately 800 volunteers to its volunteer corps and consolidating improvements in its national grants program.

Above all, we intend to make VISTA a better program. VISTA will continue to focus its attention on improved training for its volunteers. In FY 1980, we will complete the development of our integrated training program which will add an additional six days to the volunteers training schedule. Community development volunteers will receive 28 days of intensive training. These volunteers, 210 in all, will be assigned by our state and regional offices to help new low income groups and municipalities whose residents are primarily low-income. Many of these municipalities are in rural areas and are unaware of the federal anti-poverty programs available to them.

Despite VISTA's record of achievement the need for such a program is perplexing to some Americans. They question its means and sometimes its objectives. Even at its zenith the Office of Economic Opportunity was controversial. My response to these people is the same as that given by the man who directed OEO, Sargent Shriver. He said, "the question is not: does the poverty exist; but rather how much is there?". There is, unfortunately, more than enough to keep our VISTA volunteers busy helping poor people help themselves. The fight to end poverty is unending. The complexity of the problems and the inability to find an easy answer has led many people to give

ACTION's neighborhood programs are: targeted; anti-inflationary; non-bureaucratic; well tested; small; inclusive; non-duplicative, and needed. They address specific needs at the neighborhood level. These programs complement the other needed social programs that Congress has authorized in its efforts to end poverty in America.

A brief description is in order.

ACTION is proposing in FY 1980 that $25,457,000 be allocated for the creation of our Urban Volunteer Corps and for the creation of a second program called the Good Neighbor Fund. Start up funds of $4,680,000 have been included in our supplemental request for FY 1979. Let me describe each of these proposals separately. Let me begin with the Urban Volunteer Corps.

In FY 1980, ACTION is proposing that $16,750,000 be appropriated for the Urban Volunteer Corps (UVC). This proposal which has two major components, Technical & Management Assistance (T&A) and Fixed Income Consumer Counseling (FICC). The T&A component willl help sponsoring agencies enlist part-time volunteers to provide neighborhood groups with specific managerial assistance. The FICC component will provide one to one financial and consumer advice to the poor and elderly people living on fixed incomes. Neighborhood groups often fail because they lack specific technical expertise such as an understanding of sound accounting procedures rather than because they lack community support for their work. The poor on fixed incomes are the most hard hit by inflation. Prudent financial and consumer counseling can help them conserve or increase their net income.

In FY 80, ACTION is requesting $8,457,000 for the second aspect of the urban program - the Good Neighbor Fund . A request for $1,530,000 for this program is also part of our FY 79 supplemental request. The Good Neighbor Fund has one goal - to provide neighborhood groups which want to help themselves with a one shot transfusion of financial assistance averaging $3,000 to $7,000 but not exceeding $15,000 to develop small community projects.

These programs are targeted. They are addressed to the needs of neighborhood groups and low-income individuals who live in distressed urban areas. Funds for the Urban Volunteer program will be allocated so as to allow for regional differences in the problems cities face. The factors taken into account are poverty, age of housing stock, migration and unemployment. While these programs are targeted urban areas with at least 50,000 residents will be eligible. In addition, there will be a minimum allocation in each state of GNF grants and Urban Volunteer corps grants.

Both of the programs outlined, the Urban Volunteer Corps and the Good Neighbor Fund, are anti-inflationary. Voluntary self-help by definition is anti-inflationary. Indeed, these programs, particularly the Fixed Income Consumer Counseling program, will help poor people off-set the adjustments they will have to make because of the rising cost of living. These are timely programs.

Neighborhood groups in distressed areas in need of technical assistance will obviously not have a large amount of money to expend on professional help. Our TMA program can provide them with a non-stipended volunteer.

Our FICC program, when fully operational, will have 46,000 volunteers by FY 80. If our estimates are correct we project that these volunteers will be able to provide an estimated nine million hours of free consultation. We are making these initial projections based on our past experiences with our demonstration projects.

Our Good Neighbor Fund can provide neighborhood groups with the small amount of money they need to start for example a food co-op which can enable the poor and the elderly to save 10% or more on their grocery bill. The poor traditionally have spent a larger part of their income on food than their more affluent neighbors.

We project that the total value of the volunteer help these programs provide may amount to approximately $82 million. Thus for every $1.00 invested in these programs approximately $11.00 will be generated in the community. The most lasting anti-inflationary benefit of these programs may be their preventive nature. A neighborhood that stabilizes itself will not require millions of federal dollars to begin the task of rehabilitation. In the long run, as neighborhood groups become organized they will turn inward and depend more on their own resources rather than turn immediately to the city or the federal government for assistance.

Our urban programs are non-bureaucratic. Of all the federal programs that are targeted to help our cities ours is one of the few that looks to volunteers as the sole source of manpower. A Gallup poll, conducted in November of 1978, indicates that 69% of the nation's city residents would be willing to volunteer nine hours of their time each month to participate in specific activities like serving on a crime watch or helping to fix up abandoned buildings in their neighborhoods. Our programs seek to tap this spirit of generosity as a low-cost way of helping people help themselves. We project based on our pilot TNA and FICC programs that in FY 1979 approximately 22,000 volunteers will participate in all three of these programs. With a measured expansion this volunteer force will grow to 130,000 volunteers in FY 80.

To support and direct the work of these volunteers ACTION will need 89 new positions when the programs are operating on the national level. There will be no additional staff required in FY 79. There will be no matching requirements for any of the urban programs. This will reduce the amount of paperwork required to monitor and serve these programs.

The urban volunteer programs we propose to fund are small. They are geared to meet small needs of small groups in small areas -- the neighborhoods of large cities. They are responsive to the small but important needs of neighborhood residents. How does elderly Mrs. Smith, who lives alone survive on the social security check she now receives when the cost of living is increasing so rapidly? How does a small struggling neighborhood group develop proper accounting procedures so that they can be eligible for a state or federal grant? These are the needs we hope to address.

Our program is not a big program. It will continue to remain small. One of the lessons we have learned is that if you expand any program too rapidly you increase the risk of error and waste.

ACTION's urban programs are well tested. For the past two years, ACTION has partially funded two technical and management assistance demonstraton projects. In Cincinnati, 70 professional volunteers are helping approximately forty community groups. One volunteer, an accountant, spent six months designing a bookkeeping system for a non-profit, neighborhood food and clothing distribution center for the poor.

Since 1975, ACTION has sponsored a fixed income consumer counseling demonstration project in Denver, Colorado. In the last three years, over 300 volunteers have provided 25,000 poor and elderly people direct and personal counseling in health, nutrition, pre-retirement planning, estate planning and the drawing up of wills.

A good example of a Good Neighbor type project would be a small grant to a community group to establish a tool lending library. In many cases poor people who want to rehabilitate their houses are unable to because they lack the proper tools. A small grant would enable a neighborhood group to purchase the tools for the community as a whole, thereby saving every resident the cost of keeping his or her own set of tools. Sharing tools can be the first step that leads neighborhood residents to share in other community activities.

Another example of a CNP funded project would be a small grant to a neighborhood group that wanted to protect its elderly residents by establishing a 24 hour hotline and by developing neighborhood projects which would encourage the elderly to be full members of the community.

Our urban programs are also inclusive. Anyone in a poor neighborhood will be allowed to participate. Anyone who lives on a low- income and is in need of financial counseling will be able to seek it through our FICC program. No one will be discriminated against because of their age, sex, race or economic condition. Our program guidelines will require that sponsoring organizations specifically include the poor, the elderly, blacks, hispanics, and the handicapped in the organizational decision-making process. ACTION in the last two years has made an affirmative effort to recruit blacks and hispanics to its headquarters and field staff. We are proud of our record. We will do no less with these new programs.

Our Urban Programs, like our Older American programs, are preventive. They attempt to help people before there is a necessity for an expensive and drastic cure. Today, the South Bronx is a symbol of urban decay. An interagency coordinating committee chaired by an assistant to the President is now required to address its needs. Our aim is to prevent other neighborhoods from sharing the same fate as the South Bronx.

Strong neighborhoods make for prosperous cities. Those cities that have had the most success in revitalization - Baltimore, Boston, Seattle, Hartford- are the cities which have supported the efforts of neighborhood groups to rebuild their neighborhoods. Neighborhoods are the foundation on which cities are built. Neighborhood groups provide the energy, enthusiasm, and often the creativity to reach innovative solutions. City governments provide the understanding and planning to insure that what neighborhood groups do helps and does not hinder the overall economic recovery of a city. By requiring mayoral involvement in the grants process for the approval of grants in the Good Neighbor Fund this program will encourage municipal government to look closely at neighborhood self-help efforts and strengthen the partnership which already exists in many cities.

More importantly, neighborhoods are the place where people's values are shaped. The programs we propose are rooted on old values - self-reliance, trust, generosity, and a sense of responsibility for one's neighbor. The reinforcement of these values at the neighborhood level can only help our nation in the long run. People are less likely to destroy what they themselves have created.

Our urban programs will not duplicate other federal efforts to help the poor. Special reference has been made in this legislation to work more closely with CSA

(The Community Services Administration). As members of the committee may know, Graciela Olivarez and I have worked closely to increase our joint programming capability. VISTA volunteers are working with the CAP Incentive Program and the regional directors of both CSA and ACTION met last October to discuss specific ways that our two agencies might cooperate. As you will note in the legislation, before regulations for the new urban programs are promulgated, the Director of CSA will be consulted. In addition, CAP agencies will receive specific advance notice of the selection process for lead agencies and a special requirement has been included that lead agencies (if a CAP is not the lead agency) will work with CAP's in order to avoid any duplication of effort.

We believe that the urban progams described - the Urban Volunteer Corps and the Good Neighbor Fund are needed. They can provide the federal government with a powerful instrument for appealing to the best instincts of the American people. These programs are targeted, anti-inflationary, non-bureaucratic, well tested, small, inclusive, preventive, and do not duplicate other federal efforts. They are needed.

Most neighborhood groups form in response to an immediate concern: an increase in crime; a decision to rezone; the inability of a city to provide essential services. Often, however, these groups break apart because they lack an understanding of how to help themselves. A study of 400 voluntary groups compiled by the American Institute for Research in Behavorial Sciences indicates that almost one out of every five fail in the first 15 to 18 months of their existences primarily because of poor management. We believe that our Urban Volunteer Corps can help these groups survive. If a new foundation is to be created for our cities these groups need to remain active and provide the stability and direction every neighborhood needs. We ask for your support of these programs.

Members of the Committee will note that specific references have been made in the legislation submitted to the FICC program, to meeting the needs of the elderly, and to deinstitutionalization.

ACTION is also requesting a change in its service learning programs - National Student Volunteer Program(NSVP) and University Year in ACTION(UYA)- that are now sponsored by VISTA. As an agency service learning has always been an integral part of all of our programs. We believe in this approach.

In FY 79, we are proposing that the authorization be changed so that NSVP can be considered on its own merits. The existing legislation requires that 90% of the first $6.7 million for service learning be allocated to UYA. We are asking that this linkage which ties NSVP's funding to UYA be discontinued. We believe that NSVP is a program that deserves to be considered on its own merits. It is a good program with a successful record of achievement.

For the past 10 years, NSVP has served as the single focus and source in this country for assisting the development locally-supported college and high school service-learning programs. It is a cost-effective program that currently supports the work of some 5,000 high school and college educators who manage service-learning programs and an equal number of community-based organizations who are helped by an estimated half-million student volunteers. We are asking that the Congress legislatively mandate this worth-while program, and that it be renamed the National Program for Service-Learning to more accurately reflect its functions.

In FY 80 we are proposing that NSVP continue to provide training and technical assistance to high schools and colleges in support of local service-learning programs. In addition, funds have been requested to test the impact which a service-learning experience can have on the growth and development of juvenile offenders. Should these demonstration grants prove effective ACTION will develop similar models for under-achievers and other problem youngsters who have traditionally been excluded from the opportunites to serve their communities while learning from the experiences.

Let me now turn to the UYA program. We are proposing that the authorization be continued thru FY 1981 and funds be appropriated to fund existing projects through the third quarter of FY 79. We are proposing that UYA not be funded in FY 80. Instead we are asking for some time to evaluate and test new approaches to this program. We do not believe that the current program meets all of its objectives and is the best use of taxpayers money. We believe new models of service learning should be to [illegible] which can be the basis for a better program. Last September, four demonstration grants were awarded to test a new approach which gives community-based organizations greater control over the program and the work of the volunteers by making these organizations rather than the universities the grantees. Among the groups funded to test this new approach are the National Conference of Black Mayors and ALCOR (Appalachian Leadership and Community Outreach).

The members of the committee should also be aware of other changes in our authorizing legislation that will enable us to provide better service to the volunteers. In brief: to offer full-time volunteers expanded tort claims protection; to provide low-income volunteers an exemption from the requirements of the work incentive program; to provide our older and handicapped volunteers with legal remedies to insure that they are not discriminated against in any ACTION program; and lastly, new authority to offer volunteers under our Title I Part C Program allowances but not stipends if they are part-time volunteers who serve 20 hours a week for 26 weeks or are full-time volunteers who serve less than a year.

We are determined to manage all of ACTION's programs economically. We believe, as President Carter stated in his State of the Union message, that it is a myth "that we must choose between compassion and competence." We have centralized our budget control system. We have revamped our recruitment reservation system through automation. VISTA has streamlined its payroll process; increased the allowance and stipend of its volunteers, and improved the health care available to them. Our efforts to improve our management capability will continue. We may make mistakes. We do not seek to hide them. We will always correct them.

We are also determined not to lose sight of the larger issues which confront our society - poverty persists, justice remains in jeopardy, compassion is in need of friends.

Today, across America, the poor are pictured by some as the people whose needs are the cause of inflation. It is not so. At the same time the poor continue to be stereotyped as people who are unwilling to help themselves. It is not so.

The poor are the most self-reliant people in America. That they can survive is a credit to their tenacity and will to better themselves. ACTION's programs respond to that tenacity and their commitment to better themselves.

Like all Americans, the poor care about the well being of others. The love and caring given by the poor older Americans who work in our Senior Companion and Foster Grandparent programs is evidence of the tremendous willingness of those who have little to persist in helping those who have less.

Like all Americans, the poor seek dignity. VISTA will provide poor people with the opportunity to gain the measure of dignity they deserve.

Like all Americans, the poor want to make that effort which is a credit to them, their neighbors, and our society. ACTION's Urban Volunteer programs will help the poor and their neighbors help themselves.

And, like all Americans, the 271,000 volunteers who are part of our programs and the millions of people they serve seek the security of knowing that they have a positive role to play in the shaping of our society.

Many years ago, just after the Peace Corps was created, Pablo Casals, the famous cellist, made some comments about the Peace Corps. Even though he spoke of the Peace Corps his words go to the heart of what our domestic volunteer programs are all about. He stated:

"This is new and it is also very old. We have in a sense come full circle. We have come from the tyranny of the enormous, awesome, discordant machine back to a realization that the beginning and end are man, that it is man who accounts for growth, not just dollars or factories, and above all that it is man who is the object of all our efforts."

In an age when the globe is our neighborhood, the televised congressional hearing our town meeting, the object of all our efforts at ACTION is and will remain the aspirations of the hundreds of thousands of generous Americans and the millions of poor people who seek to become self-reliant.

The authorization request presented to you today is a representation of President Carter's commitment to that end.

Senator **Cranston**. I want to welcome the members of the next panel. If you would, please introduce yourselves. I want to call to your attention the rather exhaustive questioning of the Agency this morning.

This hearing must be over at approximately 1 o'clock, so we have to divide the time between the three panels, which means less than half an hour for each.

If I don't have time to ask you questions, I will submit them to you in writing.

If you will now proceed, and thank you very much for being with us.

STATEMENT OF HON. WILLIE CHAVEZ, NEW MEXICO STATE SENATE; JOHN GUNTHER, EXECUTIVE DIRECTOR, U.S. CONFERENCE OF MAYORS, WASHINGTON, D.C.; RON BROWN, VICE PRESIDENT FOR WASHINGTON OPERATIONS, NATIONAL URBAN LEAGUE, WASHINGTON, D.C.; CHARLES BALDWIN, ASSISTANT TO THE GOVERNOR FOR VOLUNTEERISM, OFFICE OF THE GOVERNOR, SACRAMENTO, CALIF.

Mr. **Chavez**. My name is Willie Chavez from the New Mexico State Senate, Santa Fe, N. Mex.

Mr. Chairman and members of the Senate Subcommittee on Child and Human Development, it is indeed a pleasure to be here before you today especially to be able to relate to you the wonderful things that the domestic volunteer service programs have done for New Mexico.

Our society in the past has put some of our most productive citizens, our senior citizens, on the shelf. With the Domestic Volunteer Service Act we can help our elderly people to remain productive. They are a valuable resource that can help solve many problems in the community. We see this act as a part of a solution, not as part of a problem.

I have always introduced legislation in New Mexico for senior citizens because I believe that they are the greatest resource that we have in the United States. The most rewarding experience in life is doing for other people and I feel we should not develop tunnel vision and exclude the aged. A part of the domestic volunteer service includes the foster grandparent program and if you've never seen a foster grandparent program, believe me, this is a real service to humanity.

In New Mexico, in my own district, the disabled children at the Los Lunas Hospital and Training School are fortunate. They receive love from the professionals—the foster grandmas and grandpas. I have been in the room when a sad, disabled child, confined to bed, sees his foster grandparent walk in the door. You can feel the love in that room. The disabled child begins to smile and responds to the foster grandparent's love. The foster grandparent, in return, is rewarded with the love that was lost when he retired or when his own children left to care for their families. The foster grandparents really love their adopted children and physically and mentally they come alive.

I can tell you personal stories of neighbors of mine. These were people that had just given up and now with the help of the foster grandparent program they are up early and eager to catch the bus that takes them to work everyday. In fact, there have been three marriages that have occurred while volunteers were involved with the program at the hospital.

The stipend money received by my "abuelitos" (grandparents) helps pay for their utilities, buys a new dress or a pair of shoes; but most important we must remember that these people are once again contributing to their community.

"What the whole world needs is love." That was once a popular song and I believe that this program is a step in that direction because love is being experienced and it shows. These people are vibrant and vital. You ought to attend one of their parties. They can outdance and outparty you and it is because of their activity.

I love to speak about the grandparent program but the RSVP and VISTA programs, also administered through ACTION, are very moving. The ACTION Agency in the field has created tremendous rapport and communicates well with the other bureaus on aging and other State agencies because the workers really care for their communities and work hard to spell out their agency objectives.

At this time I would like to express my appreciation to the ACTION Agency for the fine job they have done and also express the thanks of the elderly in my area, for they love the work they are doing.

This Domestic Volunteer Service Act gives our Spanish and Indian surnames in New Mexico more involvement for the senior citizens. I really mean to say that we are not helping the senior citizens as much as they are helping themselves. They have an opportunity now to socialize among themselves, as well as gaining a sense of usefulness. More importantly they are able to continue to maintain their own independence.

A significant aspect of the program is that it provides one warm meal daily to these volunteers. When I toured New Mexico as a member of the health and aging committee, I was appalled to find my fellow New Mexico "abuelos" eating cornflakes three times a day because they either had no desire to eat or not enough money to buy food.

And again I would like to give the ACTION Agency a pat on the back in New Mexico because of their knowledgeable personnel and for their communication with other States. They visit and talk with State and local units about nutrition, transportation, and other community needs. They listen and work until their objectives are filled.

Young people in our New Mexico VISTA program give technological advice including greenhouse garden programs, solar engineering advice, and give assistance in many technical programs which are compatible with existing senior citizen programs. A new portion of this act will include young lawyers and architects who will be able to help serve the senior citizens through this program.

Volunteers of all ages are very much needed and I hope this act will continue because as I have said before it is part of the solution, and not a part of the problem, and a most important contribution to the community. All needs cannot be met but some can.

In New Mexico I have introduced more legislation to add additional foster grandparent programs as well as additional nutritional centers. The new addition to the act is, I feel, great. The fixed income counseling services, which will help educate and protect the elderly consumers, and also the small plan grant which would be available to community groups, are good additions to this program.

The most important agency contribution to a community is through its people. People are the best resource we have. If everyone picked up a handful of dirt we could change this ground for a better tomorrow.

My priorities have always been people, and that's why I felt I ought to come and tell this story. Thank you for your time, and remember our volunteers. Our communities need volunteers and we hope that you feel that these programs will create and make our communities a better place to live.

Thank you.

Senator **Cranston**. Thank you very much.

Please proceed.

Mr. **Gunther**. Mr. Chairman, I am John Gunther, executive director, U.S. Conference of Mayors. The Conference of Mayors strongly supported the President's urban policy of which the Urban Volunteer Corps was a part. In publicly supporting the Urban Volunteer Corps initiative, the Conference indicated that:

> Federal support of small-scale, people involving, neighborhood projects is an exciting addition to the limited resources now available for local development efforts and can be a spur to local voluntary, self-help initiatives which have a wide multiplier effect. In other words, a small amount of Federal money, carefully applied, will pay enormous dividends.
>
> In concert with larger economic and employment programs, neighborhood efforts such as this enhance the human dimension of a Federal policy.

S. 239—Domestic Volunteer Service Act Amendments of 1979—is an important step in this direction.

The proposed urban neighborhood volunteer programs consisting of the urban neighbors program, would provide small amounts of Federal money to underwrite the establishment of a new program of voluntary assistance to neighborhood and community organizations; and the national urban neighborhood priority program has the flexibility to provide person-to-person services to broad groups of people who are in need, and to set up priorities which can be addressed as part of this new initiative.

Since both of the urban neighbors program and the urban neighborhood priorities programs are not large funded programs, it is important that they tie into the overall needs assessment of the city or other units of local government in order to leverage the programs.

The involvement of the mayor or other chief elected official should not be viewed as an attempt by city hall to veto needed and meaningful projects. As we all know, neighborhoods are made up of people and cities are made up of neighborhoods. The failure to help our neighborhoods will lead to the deterioration of our cities.

The mayor and neighborhood or community groups working in close cooperation in this program will insure that all possible efforts and programs are combined to leverage economic and human development in cities and neighborhoods.

177

In closing, Mr. Chairman, the U.S. Conference of Mayors would like to give its support to this legislation and hope that it will become another tool to help our Nation's cities.

Senator **Cranston**. Thank you very much.

Mr. **Brown**. I am Ron H. Brown, vice president of the National Urban League.

After working in city communities and with people for almost 17 years now, we somehow feel uniquely qualified to speak on the volunteerism and the legislation that is before this subcommittee this morning.

We are particularly pleased with the kind of potential that this legislation allows this Nation to realize through the use of volunteers.

My comments are going to be directed toward the newly proposed urban volunteer programs contained in part D of the legislation, and I will not touch upon the other very responsive kinds of features of the legislation.

Because this section D focuses on urban problems of the constituents of the National Urban League, that is, poor and minority disadvantaged residents of the Nation's cities.

These programs, like so many others, are endangered not because of their merits but because of the ever-growing public concern over increased spending at all levels of government.

What this surely underscores is the need for volunteerism in this country. The public attitudes toward tax relief and decreased Government spending may lead to dangerous reductions in services available to urban dwellers.

Although by no means a panacea for the problems of distressed urban communities, expanded volunteerism under the urban neighborhood volunteer programs, can act as an important source of needed services and as a catalyst for greater self-sufficiency.

A Gallup poll released March 5, 1978, found that while Americans felt their neighborhoods had declined in livability over the past 5 years, some 89 percent said that they would be willing to volunteer their time and efforts to help solve their cities' problems at the grassroots level.

From a cost-benefit standpoint, the ACTION Agency has estimated that from an investment of approximately $22 million in the urban neighborhood program, a minimum of 14,875,000 hours of volunteer service will be generated.

I would submit, Senator Cranston, that there is very little in the area of Federal spending that can produce, or in the area of spending—than in the legislation that is before you today.

Clearly the new urban neighborhood volunteer programs reflect and indeed, reinforce, the recognized nationwide commitment while simultaneously allowing ACTION to maximize its limited resources.

You, of course, are very familiar with the sections of the bill, and I will not go into any detailed explanations of what is in there.

We strongly support sections 133 and 134.

The urban volunteers programs proposed in this legislation are by no means a panacea. They should not, and cannot be substituted for severely needed economic development and jobs programs.

Indeed the levels of funding proposed for the urban neighborhood programs limit greatly the number of community and neighborhood organizations which will be affected. But these volunteer endeavors can assist in moving some communities toward economic development and greater self-sufficiency and enhance the livability of urban neighborhoods.

The success of the urban neighborhood programs rests largely on the willingness of individuals, both within and outside the community, to volunteer their time to enhance the livability of distressed urban neighborhoods.

The National Urban League is convinced that such a willingness exists and needs only to be capped by the initiatives, technical assistance, and minimal funding which S. 239 provides.

The National Urban League commends ACTION for innovative and necessary approach to the problems of this country's urban residents, and urges this subcommittee to support the urban neighborhood volunteer programs.

[The prepared statement and additional remarks of Mr. Brown follow:]

Testimony of

RONALD H. BROWN
VICE PRESIDENT
NATIONAL URBAN LEAGUE, INC.

Before the
Senate Subcommittee on Child and
Human Development

Of the
Senate Committee on Human Resources

on
URBAN INITIATIVES INCLUDED IN S. 239
THE DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1979

Room 4230
Dirksen Senate Office Building

Thursday, February 8, 1979
9:00 A.M.

Mr. Chairman and members of this Subcommittee, I am Ronald H. Brown, Vice President for Washington Operations of the National Urban League, a private non-profit organization dedicated to securing equal opportunities for all members of American society. As an organization with some 115 community-based affiliates nationwide, which are deeply involved in economic development, employment and training and social service programs in distressed communities, we are uniquely qualified to understand the need for expanding the scope and dynamics of American volunteerism and the potential for the proposed Urban Neighborhood Volunteer Programs.

First, I would like to thank the Subcommittee for inviting me here today to express the League's support for the Urban Volunteer Initiatives included in S. 239, the Domestic Volunteer Service Act Amendments of 1979.

The programs in this bill, VISTA, University Year for ACTION, the Foster Grandparent Program, the Retired Senior Volunteer Program and Senior Companion Program, have demonstrated the potential for volunteerism. My comments, however, will be directed toward the newly proposed Urban Neighborhood Volunteer Programs contained in Part D of S. 239, which focus on urban problems affecting the constituents of the National Urban League — that is, poor and minority disadvantaged residents of the nation's cities.

These programs, like so many others are endangered, not because of their merits, but because of the ever-growing public concern over increased spending at all levels of government, as evidenced by Proposition 13 and similar state initiatives, and the proposed cuts in the Administration's Budget. All of these factors underscore the need for volunteerism in this country. The public attitudes toward tax relief and decreased government spending may lead to dangerous reductions in services available to urban dwellers. We have too often witnessed the erosion of needed services to poor and minority communities due to fiscal problems — problems which the poor and/or minority citizens had little role in creating. Although by no means a panacea for the problems of distressed urban communities, expanded volunteerism under the Urban Neighborhood Volunteer Programs can act as an important source of needed services and a catalyst for greater self-sufficiency.

A Gallup poll released March 5, 1978, found that while Americans felt their neighborhoods had declined in liveability over the past five years, "that the vast majority (89%) say they would be willing to volunteer their time and efforts to help solve their cities problems at the grass roots level." Six in ten of those surveyed cited areas of neighborhood improvement which fall well within the goals of the Urban Neighbors Program; upgrading housing quality, appearances and maintenance, lowering crime, and cleaning up the neighborhood. We concur with Mr. Gallup's conclusion on volunteerism that "since human energies could be tapped without a significant outlay of public money, they would represent a primary resource for strengthening America's neighborhoods -- and ultimately the nation's cities."

From a cost benefit standpoint, the ACTION agency has estimated that from an investment of approximately $22 million in the Urban Neighborhood Program, a minimum of 14,875,000 volunteer hours of direct service will be generated. Beyond this high rate of return from federal investment in volunteerism, are the undeterminable benefits that person-to-person contact, training toward self-sufficiency and community involvement will generate. Clearly, the new Urban Neighborhood Volunteer Programs reflect, and indeed reinforce the recognized nationwide commitment, while simultaneously allowing ACTION to maximize its limited resources.

The four distinct, but complementary activities enunciated in the ACTION programs, will not only promote but enhance the success of urban volunteerism. These four activities fall under two separate categories, the first being the Urban Neighbors Program under Section 133 of S. 239, and the second, the Urban Neighborhood Priorities Programs under Section 134.

I. The Urban Neighbors Program authorizes ACTION to designate and provide funding to Local Lead Agencies, public or private non-profit organizations, which have "demonstrated their effectiveness in serving persons in distressed urban areas and in mobilizing volunteers." The lead agency will then act to recruit skilled volunteers to be matched with neighborhood groups in need of technical and management assistance.

ACTION has wisely recognized the problems of many neighborhood organizations, particularly those smaller and low-income groups, which might have major impact on their communities except for the lack of training and expertise in such areas as organizing, limited budgetary resources, or inability to draft and submit proposals for funding. Our own experience indicates that the need for such assistance is great. The use of professional volunteers to counsel and train neighborhood organizations in management, accounting, grant writing and a host of other skills will be invaluable to the formation, success and stability of such groups.

The Urban Neighbors Program will also encourage the formation and success of vounteer endeavors in distressed neighborhoods, by providing "seed money" grants to non-profit organizations working on neighborhood improvement and other small scale projects. These grants are a very critical part of the volunteer effort. In far too many instances, the willingness of the community to engage in volunteerism for neighborhood improvement exists, but the vital seed money for out-of-pocket expenses, supplies and equipment is unavailable.

As a result, communities continue to decline, thereby taking a great toll on the physical and mental well-being of their residents. The League firmly believes that pride in the community remains strong; we are convinced that, if given the chance, that pride can do much to stem neighborhood decline.

The small seed money grants, up to $15,000 per year authorized under the Urban Neighbors Program will address critical barriers to neighborhood volunteerism. These funds may be used to initiate and help support a wide range of community self-improvement projects, from housing rehabilitation to food cooperatives.

It seems appropriate here to point out our concerns regarding the process by which the designation of Local Lead Agencies and the seed money grants are to be made. The Administration's Urban Policy appropriately places emphasis on integrating locally elected officials into the urban revitalization process. However, we have some concern that the provisions in S. 239 pertaining to the role of the mayor or other locally elected officials in the grant process may in some cases lead to an overly political program, particularly in view of the large numbers of eligible groups and the limited program resources.

In light of that problem, there should be an established appeals process for the community or neighborhood organization which believes that it has been discriminated against or unfairly denied a right to participate in or receive the benefits of these grants.

II. The Urban Neighborhood Priorities Programs under Section 134 is the second category of volunteer activities under the urban initiatives. These new programs emphasize the direct delivery of services to enhance the lives of disadvantaged and elderly urban residents through a number of approaches.

One of these, the Helping Hand Program, will provide person-to-person volunteer services aimed at reducing the need for institutionalization of older persons and the handicapped. For many of these individuals, the city is a formidable place of loneliness and alienation. These characteristics of urban life are compounded by social and physical isolation. The Helping Hand Program will use volunteers to provide needed assistance for everyday activities, which most of us take for granted, and will stress the personal inter-action that older and handicapped individuals are most often deprived. The League has long supported reduced institutionalization and views this program as a small but an all important first step.

In addition to the Helping Hand Program, a Fixed Income Consumer Counseling Program is also proposed as a part of the Urban Neighborhood Priorities Program; that program will provide volunteer counseling to people living on low and fixed incomes. Local Lead Agencies will recruit, train and match volunteers to the needs of low-income individuals, as well as families and groups. Lead agencies will also offer advice and assistance in the areas of financial management, credit, nutrition and consumer awareness. The need for such assistance is evidenced when we witness the spiralling costs and complexities of living in urban areas. Individuals and families on low and fixed incomes are most affected by rising costs, but at the same time, they are the least able to identify other resources, combat discriminatory credit practices inequitable utility or rent increases, or find solutions to a myriad of complex problems. The Fixed Income Consumer Counseling Program will give poor and disadvantaged urban residents the appropriate knowledge to help ease the burdensome process of trying to make ends meet on a limited income.

CONCLUSION

The urban volunteer programs proposed in S. 239 are by no means a panacea. They should not, and indeed cannot substitute for severely needed economic development and jobs programs. Indeed the levels of funding proposed for the Urban Neighborhood Programs limit greatly the number of community and neighborhood organizations which will be affected. But these volunteer endeavors can assist in moving some communities toward economic development and greater self-sufficiency and enhance the liveability of urban neighborhoods.

The success of the Urban Neighborhood Programs rests largely on the willingness of individuals both within and outside the community to volunteer their time to enhance the liveability of distressed urban neighborhoods. The National Urban League is convinced that such willingness exists and need only be tapped by the initiative, technical assistance and minimal funding which S. 239 provides.

Vernon Jordan, President of the National Urban League has stated that "there is a national movement of urban revitalization going on that will -- if it is not checked -- wind-up driving poor people from their homes and neighborhoods and worsen America's social ills... Unless policies are devised to shield the poor from displacement and to allow them to participate in true urban revival, than the process may ignite the social dynamite barely below the surface in most cities." The National Urban League believes that the Urban Neighborhood Volunteer Programs are a step in the right direction toward involving low-income residents in the urban revitalization process and attempting to insure that urban communities are renewed to the benefit of their current residents.

The National Urban League commends ACTION for an innovative and necessary approach to the problems of this country's urban residents and urges this Subcommittee to support the Urban Neighborhood Volunteer Programs. We hope that as you continue to listen to the comments of a diverse number of witnesses, that you will examine the merits of the programs under scrutiny, and not allow personalities to emerge as a major obstacle to Subcommittee deliberations.

Thank you for this opportunity to share our views and I will be happy to respond to questions.

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March 27, 1979

Honorable Alan Cranston
United States Senate
229 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Cranston:

I am pleased to forward to you the National Urban League's response to the questions you sent me regarding my testimony on ACTION's urban initiatives.

One of the major differences in S. 374 and your bill S. 239, that concerns us is that language pertaining to the role of non-profit organizations and community action agencies in the designation process for Local Lead Agencies. We prefer the Administration's language to that contained in S. 239. The League believes that the designation of Local Lead Agency should be made on the basis of proven effectiveness to operate programs in distressed urban areas; the language in S. 239, which gives priority to community action agencies will preclude the designation of many effective community based organizations.

With respect to your specific question on the impact of the urban initiatives on the National Urban League's constituency, I believe that the programs will have tremendous value to community and neighborhood organizations and the individuals they serve in distressed urban areas. Many community based organizations need the management and technical assistance which these programs will provide for effective and stable functioning. In addition, as we stated in our testimony, the use of individuals for direct services to the elderly and the disadvantaged will have an immeasurable impact on the lives of needy urban dwellers.

In answer to your second question, I would have to say that the Urban Volunteer Programs rank high on the list of Urban League priorities. The Natianal Urban League is well aware

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Honorable Alan Cranston
Page Two
March 27, 1979

of the concern you expressed over the federal government's budget. Twenty-five million dollars is a relatively small appropriation for such a program, particularly since the nature of the volunteerism is such that the return on that federal investment will be great. From a cost-benefit standpoint, ACTION has estimated an excellent return in volunteer hours for each dollar spent; in addition, we should point out the indeterminable benefits that volunteerism brings to both the participants and recipients of volunteer activities in the community.

The National Urban League urges you to continue to support these innovative and needed programs as part of a continuing effort to upgrade the lives of those Americans living in distressed urban areas.

Thank you for giving us this opportunity to respond to your questions. If you should want to discuss these initiatives further, please feel free to contact me.

Yours very truly,

Ronald H. Brown
Vice President
for Washington Operations

RHB:PGC:cd

Senator **Cranston**. Thank you very much.

Before proceeding to you, Chuck, first I want to say to all of you we will send you a copy of the administration's bill that has been introduced.

Ron, I want to ask you one question. I expressed my intent to assist in moving toward a balanced budget as fast as we reasonably can. You know that this is a general compulsion that is being felt in the country and in the Congress.

Regarding the $25 million for the urban volunteer programs that will have to be evaluated in the context of the need for other new initiatives, or increases, in Federal spending for existing programs, where does this urban volunteer proposal rank on the Urban League's order of priorities in this respect?

Mr. **Brown**. Very, very high. It would rank high just on a pure cost-benefit analysis. Most people interested in budget talk about return for the dollar. We have a return for the dollar which also encourages people at the low levels to participate in solving our own problems, and it would be a very high priority.

Senator **Cranston**. Chuck, glad you are here from California.

Mr. **Baldwin**. My name is Charles Baldwin. I am assistant to Governor Brown, and responsible for the Governor's volunteers program in California.

The origin of that was an Executive order in August of 1977 creating the office and giving it quite a broad mandate to advocate for and facilitate volunteer organizations throughout the State, both in the private and in the public sector, and to open up the process of government at this level.

The State of California, in 1978, placed the office in the statutes, and entitled the Governor to set up a group for citizen initiatives and voluntary action. The office is placed in the Governor's office. However, it operates on a separate and distinct budget.

I think that that gives it a distinction from the ACTION programs, which will become apparent from our remarks.

We are placed at the Cabinet level, and at that level we have full authority to impact on the entire State budget, all budgets in the State.

Our size of office is five paid staff. We deliberately wanted a small staff. Our mode of operation is to facilitate and to advocate, and not to operate programs, to run stipend volunteer programs, or to issue plans.

We do have approximately 12 to 18 volunteers that work with us depending on the season and the programs we are administering.

Of our $169,000, $25,000 of that will come from an ACTION grant. Subsequent to our establishment, we did apply to ACTION and did receive a grant from them; $144,000 will come from our general fund budget. Our goals in the statute: One, to facilitate the spirit of citizen initiatives and volunteer action and individual citizens in the community.

Two, to establish adequate communication and corroboration whereby individuals and agencies may converse with others to intiate new programs or other old volunteer programs at the local level.

Three, to open up untapped material resources that can be mobilized for the public's good through citizen initiatives and voluntary action.

Four, to open up the process of government and social institutions to provide a common ground for two fundamental concepts: Volunteerism and citizen initiatives to be brought together mutually as a basis for better service.

And, finally, to achieve an effective and permanent expansion of citizen initiatives and volunteer action in community problem solving, and in the delivery of government services.

Just briefly, a partial list of our accomplishments over the last year, one, to establish disaster volunteers as a parallel to the Department of Forestry to work with forest-fire-fighting operations in the summer fires. This is basically an inventory of persons who are prepared to assist the government in meeting disasters or forest fires.

We have established in the neighborhood a task force to advise us on neighborhood policy for our urban strategy. They are not within the government, but have established themselves as 401-3 organizations, which is called the California Congress of Neighborhoods.

We relied on them for policymaking input, and very heavily for urban input to the urban strategy. We participated with the National Center for Volunteer Action in a statewide survey on volunteers in the workplace; in fact, took sole responsibility to partial funding of that survey, and to make sure our courses were surveyed.

We have worked with our university system. I heard testimony here earlier this morning about service learning credits. What we have done is to ask our 19 State campus systems to put within its structure a service learning program which will be ongoing and not a volunteer program solely, but all of that university system will simply make available to both its faculties and students opportunities for inservice experience as a part of that accreditation program.

That is called the universities in action program.

We have taken responsibility to work with our agencies who receive general funds. Many of the Federal mandates and State mandates for citizen participation have been weakly enforced, and very sporadically operated.

We have sought to have those mandates be more significant, to involve citizens more directly, not only in decisionmaking, but in the actual delivery of services.

For example, we will not contract with a local agency who runs an alcoholism program until they have established a clear policy and program for the recruitment, training, and placement of volunteers who have worked with nonprofit groups to establish insurance co-ops to deal with insurance problems throughout the State insofar as organizations that utilize and place volunteers.

Within the State system, we have approximately 35,000 volunteers. Our largest is in the State hospital system. We have many volunteers in our department of aging, department of rehabilitation.

We have done a cost-benefit study on the programs that we have in the State. Our estimates are that the benefits to costs are running about 5 to 1. We spend approximately $300,000 a month in our volunteer programs, and our benefits are approximately five times that return.

We think it is a worthwhile program. We have been working with local governments, interfacing with ACTION and regional directors of ACTION in California as well as the State directors, of which we have two in California. We regularly sit with them and review proposals for VISTA grants, minigrants, and Foster Grandparent grants, and retired seniors programs.

We have sought to take the civil service funds that are drawn from the Intergovernmental Personnel Act to train our entire system in how to recruit volunteers, to train volunteers, to place and utilize volunteers. It has been proven to be a very successful program for us.

I would call attention to possible congressional or legislative action to make that a part of the IPA program.

Of course, we work with the private sector, and estimate 5 million to 6 million are in the private sector regularly volunteering their services to the State.

The post-Proposition 13 mood of the electorate would suggest diminishing government bureaucracies. But it also suggests they want to maintain the level of services.

Our volunteering individuals and associations of individuals have the potential for assuming services that are now provided by the government. But we do feel also that they will need assistance to reach optimum levels of services, and the government has responsibility for assistance in the transition.

The opportunity for my office, and the appropriate role for government in general, will be to determine a vehicle to be responsive to community needs. In short, government needs to shift its emphasis away from large-scale management and toward self-reliance. Government can facilitate this transition by promoting policies which foster independence, which demand value, smallness, local controlling, self-creating mechanisms, corrective concerns rather than the self-interests of any single individual, neighborhood self-assessments, self-sufficiency, activities which modify institutions, which improve the quality of life in the neighborhood, including jobs, decent housing, health care, parks, and so forth.

Government can also help to develop appropriate technology, community self-reliance. I believe the mood is ripe for this fundamental shift.

I would like to say there is an historica. basis in California. There are basically two streams of citizen participation and volunteerism in this country. One is the ethic of voluntary simplicity and self-reliance. The other is taken from Judeo-Christian beliefs, first, voluntary association is exemplified in town hall meetings, volunteer fire departments, trade associations, friends of the library, foundations, corporate social responsibility, consumer advocates, neighborhood block groups, human rights advocates, and so forth.

This ethic comes more in the direct service volunteer areas, hospital aides, school volunteers, women's auxiliaries, Rotary clubs, churches, helping-hand types of activities.

Our office has attempted, and is attempting, to validate both of these streams of volunteer citizenship. We are trying to provide a bridge for these two streams of citizen initiatives. We are to provide the appropriate role for citizens in meeting our basic human needs. We are trying to provide consensus and not confrontation.

If we have a criticism of ACTION, it would be that their programs fail to give enough emphasis to the act of finding that bridge. The statutory mandate focuses on poverty and low income rather than on communities and self-sufficiency. The end result is to polarize rather than to unify.

To overcome poverty and income disparity will require the full participation of all of our citizens.

Finally, the clue for this should be the urban goals as proposed in your bill. The creation in ACTION of the Office of Voluntary Citizen Participation, last year, I think gives us the vehicle for working together with all segments of our community. More attention now needs to be given to the role of the Office for Voluntary Citizen Participation in helping ACTION with this mission.

I offer our California model of small-scale facilitation and a partnership as encouragement to shaping the policies of a proposal under the volunteer programs.

Senator CRANSTON. Thank you very, very much. The testimony from each of you has been very helpful. I wish I could go into questions. I cannot because of insufficient time.

We now will go on to our second panel.

Senator Tsongas was here to introduce Mr. Desjarlais, but he had to be somewhere else at the time you were coming up, so we will introduce into the record a statement of the Senator.

[The statement of Senator Tsongas follows:]

Prepared Statement of Hon. Paul E. Tsongas, a U.S. Senator from the State of Massachusetts

Mr. Chairman. Today you and our distinguished colleagues will hear testimony on community action agencies from Mr. Leo F. Desjarlais. Mr. Desjarlais lives in my hometown of Lowell, Massachusetts, and I am pleased to be able to tell you about him.

Leo Desjarlais is Executive Director of Community Teamwork, Inc., the second-largest community action agency in Massachusetts. The agency has 33 different programs in such areas as manpower training, health services, day care, housing and the elderly. Community Teamwork, Inc. has 175 full-time employees and a total annual budget of $6 million. Mr. Desjarlais has been with the agency since 1966, and has been Executive Director since 1968.

He was founder and first board chairman of the National Center for Community Action. This remains the only training and technical assistance center in Washington, D.C. for all local and state agencies carrying out federal anti-poverty programs. His national service also includes membership on the Advisory Committee to President Gerald Ford's Special Assistant for Urban Affairs.

Mr. Desjarlais is currently President of the Massachusetts CAP Directors' Association. His professional experience in Massachusetts includes three years as Special Assistant to the Lowell City Manager. He has also served as technical adviser to 80 cities and towns in central Massachusetts in establishing community action agencies to administer federal anti-poverty programs. He has been consultant over the past 10 years to various service agencies, including the U.S. Office of Economic Opportunity.

Leo Desjarlais graduated from Boston University with a degree in government and philosophy. His professional career has involved a variety of contributions to human service programs at all levels of government, but he also has found time for voluntary service to community groups in the Lowell area. I have known this outstanding citizen of Massachusetts since our school days in Lowell. Today I am delighted that you have invited him to present his views in this important area.

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Senator CRANSTON. Please proceed.

STATEMENT OF JOHN FISLER, DIRECTOR, MANAGEMENT ASSISTANCE PROGRAM, COMMUNITY CHEST AND COUNCIL, CINCINNATI, OHIO; LEO DESJARLAIS, PRESIDENT, NATIONAL CAP DIRECTORS ASSOCIATION, LOWELL, MASS.; SALLY M. FISHER, PRESIDENT, BOARD OF THE NATIONAL ASSOCIATION OF NEIGHBORHOODS, WASHINGTON, D.C., A PANEL

Mr. FISLER. My name is John Fisler, and I am director of the management assistance program of the Community Chest & Council from Cincinnati.

For the last 6 years I have worked as a nonprofit management consultant. Today, I am here to talk about the technical management programs that improve both management performance and accountability of nonprofit social agencies.

I would like to answer three questions for you: What is the program? Has it worked in Cincinnati? And how does it fit in with the legislation pending?

The first, What is it? The management assistance program has three goals: One, to improve the efficiency of organizations receiving tax and donated financial support in order to achieve a greater level of service from each dollar invested; two, to provide greater accountability of these services so that their benefits may be more readily measured against their costs; three, to provide agency management support at a total cost lower than would be possible by hiring conventional consulting services directly on a case-by-case basis.

This program bridges the gap between business management and social services. Volunteers with special business or professional knowledge to offer are matched to agencies needing these talents. These volunteers actually teach the agency new skills they need to have while helping the agency complete a sample technical project.

Because of these programs, some very traditional sources of talent are now taking an active role in helping community organizations meet real community needs.

My second question: Has the Cincinnati program worked? So far the program has grown with over 50 requests from agencies in less than 2½ years. The trend is up as the program becomes known to even more.

We are also getting needed support from all types of volunteers. Most have come from places like General Electric, Procter & Gamble, local banks, and some other concerns that are shown in my written statement.

Some volunteers are now into second assignments, and others have stayed with the program and are running many of its activities.

Since I am the only full-time staff member, these volunteers are the key to the program. It works simply because these people want it to work.

Let me give you a few short samples of assignments volunteers have completed.

First, the free store in Cincinnati, which provides emergency goods and counseling to individuals and families. Our volunteers helped them set up a financial control system that helped them to cope with the agency's rapid growth. The agency then applied their newly learned skills on their own, uncovering in one case a problem in their clothing distribution operation.

Fixing it on their own resulted in a 300 percent increase in output for the same resource application and allocation.

I would also like to mention a residential care facility for retarded and disabled persons in the area. They have done a lot of growing in the past 10 years, and keeping up with the necessary records has begun to overwhelm an already overworked staff.

With help from the program volunteer, they investigated computerization and simplification of this information system.

Finally, we are working with a new reading service involving special radio broadcasts for the blind. They are just getting themselves off the ground, and two volunteers are consulting with the Agency to help them deal with growing organizational pains before they become crises.

Based on these examples and others, I am convinced the pilot program works. Funding from ACTION may have been the reason the program got off the ground in the first place, but our expectations are to insure it continues after that aid ceases.

Cincinnati agencies are getting useful help in becoming better run and more productive, and skilled volunteers, nontraditional volunteers, are getting involved and getting excited.

Finally, the third question: How does this all relate to the bill pending here? Our experience in Cincinnati supported by a few examples from other cities points out the opportunity and the need for organizations like the management assistance program. As a pilot project it has proven the feasibility of providing the management and technical assistance needed by social services, and the willingness of business persons and professionals to offer their expertise for the benefit of these agencies.

I must point out, however, that starting a new management assistance program anywhere can be both expensive and risky. In Cincinnati we needed several years before the benefits of the service justified the start-up expenses. Improper funding of other like programs at their beginnings could doom them to lack of visibility, a lack of demand for their services, and a lack of volunteers.

Without the ACTION seed money, quite simply, the Cincinnati program would not have been. I strongly endorse the technical management assistance concept, and I know the human service agencies, and the business and professional volunteers who have participated through the Cincinnati program support that endorsement.

Our program works, and I am sure it would work in cities throughout the United States. We are a community resource meeting community needs. The proposal you are considering today is a classic opportunity for Federal programing to give a needed boost to local action on local needs, action that would otherwise be difficult to undertake.

I think the Cincinnati program's experience justifies your acceptance and support of the management assistance concept.

Thank you very much.

[The prepared statement and additional material of Mr. Fisler follow:]

STATEMENT OF
JOHN C. FISLER
DIRECTOR, MANAGEMENT ASSISTANCE PROGRAM
COMMUNITY CHEST & COUNCIL
OF THE CINCINNATI AREA

BEFORE THE
SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT
OF THE
COMMITTEE ON HUMAN RESOURCES
OF THE
UNITED STATES SENATE

February 8, 1979

Introduction

The Management Assistance Program (MAP), sponsored jointly by the Community Chest and Council of the Cincinnati Area and ACTION, represents a prototype Management Support Organization (MSO). The premise for such organizations is to improve the efficiency and accountability of tax and donation supported human service agencies and organizations.

Now beginning its third year, the MAP has been designed to elicit answers to two questions: "Is such a program cost effective?" and "What manner of operation best provides management support and training to community-based human services?"

The thrust of the 1960's fueled the founding of many grass-roots organizations dealing with the needs and problems of people within their local communities. Their keynote was service delivery. In recent years, attention has begun to focus on the development of these grass-roots agencies to maximize the return for each public dollar invested. MSO's are originating in response to this need, attempting to help these groups accomplish through management sophistication what was formerly done via increased funding.

The following description elaborates the purposes, processes, and achievements of Cincinnati's Management Assistance Program as a prototype MSO.

Objectives of the Cincinnati MAP

Simply stated, the MAP's objective is to provide free, expert consultation to human service organizations by experienced business professionals. Through the program, three outcomes are sought:

1) to improve the efficiency of organizations receiving tax and donated financial support in order to achieve a greater level of service from each dollar invested;

2) to provide greater accountability of these services so that their benefits may be more readily measured against their costs;

3) to provide agency management support at a total cost lower than would be possible by hiring conventional consulting services directly on a case-by-case basis.

Further, the MAP solicits the participation of the Cincinnati business community in the hopes of promoting a dialogue between the community's most established, traditional source of leadership and the rapidly growing, increasingly important "industry" of helping people help each other. Business has much to contribute which agencies need beside funding, and in turn human service agencies help create a wholesome community environment in which business can thrive.

The need for MSO services, such as the one being developed by the MAP, has become apparent in several other communities. The New York City area actually has two providers, and attempts are underway to begin a new such organization in St. Louis. In that process, the St. Louis organizers surveyed twenty other local United Ways/Community Chests, and found all but one had at least an informal mechanism for limited management support in their communities. Obviously, this demonstrated, building interest in MSO's will need both financial and advisory assistance to get off the ground. The Cincinnati MAP experience is intended to accumulate hard information to help each new MSO as it is launched.

ACTION jointly funds the MAP with the Cincinnati Community Chest to expand the number and variety of agency consultations otherwise possible. Virtually all present small MSO-type mechanisms elsewhere are incapable of coping with many requests simultaneously, and generally must impose limitations on the type of requests considered. To overcome these constraints, a new MSO must commit itself to expenses in its first few years well beyond a level which can be justified by the value of service actually delivered. The Cincinnati MAP experience confirms this situation. Although the MAP expects to provide benefit in excess of its cost in its third year, the program represented an expensive risk at its inception. The partial backing of ACTION reduced that financial uncertainty to an acceptable level. In short, ACTION support made the Cincinnati MAP possible.

The organization of the Cincinnati MAP had its beginnings in a joint investigation by the United Way of America and ACTION. The New York experience clearly met a local need, and the United Way and ACTION working together wondered if the concept could be readily transferred to other communities, how best to make the transfer, and whether or not the need existed in other communities. Thus, the MAP emerged as a means to seek answers to these questions.

Operation of the Cincinnati MAP

While the actual process of the MAP's daily activities is not of great importance to this presentation, several major keys do bear mentioning.

The MAP functions largely through the efforts of volunteers on many levels, as the program director is the only program employee. Executives of the business community serve as volunteer members of the program committee, which sets goals, measures results, and establishes policies. Members of this committee also act as liaisons with local corporations, securing commitments from their colleagues for business volunteers as agency assignments are secured.

A combination of agency and business volunteers meet to review applications for assistance from community organizations. These volunteers work with the applicant to evaluate the propriety of the request and to specify goals of the consultation and the type of volunteer best suited to achieve them.

Volunteers from the agency community itself also participate through a third committee, which advises on the selection and presentation of workshop topics addressing the common management interests of agencies. Through the workshop vehicle, the MAP achieves an extra goal without incurring an extra cost. Since workshops always tap business and professional volunteers to serve as moderators and speakers, an extra level of volunteer involvement is effected, and an additional level of expertise shared with non-profit managers.

Finally, the core of the MAP rests in the consultant volunteer who receives release time from his company to work with staff members of a specific agency for from five to sixty hours. He or she works on a project basis, imparting proven business techniques to agency management while helping them fulfill a specific need.

While the MAP prototype is founded on a partnership with business volunteers, recent experience points to the expansion of the volunteer base to other professional and technically skilled individuals. Certainly, the MSO concept readily embraces all these sources of volunteer expertise. Several MAP volunteer needs already have utilized a retiree, educational representatives, and non-profit professionals. The source of the skill is independent of the volunteer's ability to contribute, and the MSO concept should consider a variety of volunteer sources.

The MAP director serves to facilitate this process, arranging publicity, carrying out decisions, matching volunteers with agencies, monitoring progress, and evaluating results. The strength of the program, however, rests in the involvement of volunteers throughout the entire process, from policy to consultation, and is where the financial leverage sought must originate. The MAP is not primarily a staff function, but a community-based volunteer effort.

The Free Store

One of the MAP's 1977 agency consultations well illustrates the benefits the program can bring to an agency.

The Free Store provides "survival services" to Cincinnati individuals and families who have no other alternatives for assistance. Clients must first help themselves, pursuing all other avenues of aid for which they qualify. Free Store will assist the client in completing proper applications for these other sources, and does provide advocacy when services in the form of Supplemental Security Income, food stamps, etc., are not received. In short, the Free Store helps its clients participate in existing assistance programs, and then itself fills the client's unmet needs from private donations of goods.

The agency serves 30,000 people per year through direct client aid, advocacy and counseling. Prior to Free Store's organization, such service was available to the needy on a very disorganized basis. This former system resulted in the loss of donated services and goods, and did not distribute what was obtained as far or as efficiently.

The Free Store expanded its staff from six to eight-five between 1975 and 1979, with services increased five times above earlier levels. When the MAP became involved with the agency in its first year (1977), no financial management system existed for the agency to use in monitoring its operations. The books were unauditable, also.

The MAP volunteer, Kathy Luby of the public accounting firm of Ernst and Ernst, developed an efficient accounting and financial reporting system suited to the agency's ability to administer it, and devised a manual to document its construction and use. The system is auditable, and conforms to the standards of the American Institute of Certified Public Accountants. Mrs. Luby spent sixty hours on her project.

Director of the Free Store, Steve Gibbs, describes the reports from the system as "the best management data I've ever seen." In addition, the construction of the system served as a model for the agency to develop itself similar means to monitor time utilization, worker productivity, and program costs.

The agency also applied Mrs. Luby's system on its own to its clothing program in an attempt to monitor clothing inventories. Immediate discrepancies in data the control system provided indicated a serious employee pilferage problem. The clothing service was closed down for three weeks while staff adjustments were made and proper controls instituted. The result was an output gain of 300% in clothing distribution.

Supported by the Free Store's experience and similar, though perhaps less dramatic, reports from other agency participants, the MAP prototype for MSO's can be said to not only assist with current agency management difficulties, but can give highly beneficial new skills to agency managers.

Program Results

The experience of the MAP to date strongly indicates the answer to the primary interest of ACTION and the United Way of America is positive - the New York MSO concept is transferable. Too, the need for MSO's has been validated as measured by the growing reliance by Cincinnati agencies upon the MAP. And, in its first two years MAP has gathered a great deal of knowledge in organizing and developing an MSO from the "ground up" which will likely have great application to beginning organizations.

As of this date, fifty-one agency applications have been received and accepted since the program's founding in 1977. The trend of applications is markedly upward as awareness of the MAP's availability increases.

The number of companies which have supplied volunteers over the MAP's first two years is seventeen. A number of corporate executives have indicated they regard agency consultation as an excellent means of broadening the perspectives of their staff. They also confirm a deep interest in improving the performance and efficiency of the non-profit sector in this manner.

The work of the MAP can in one sense best be measured by the repetition of both agencies and volunteers as participants. Thus far, three agencies who earlier participated have expressed a desire to re-enter the program. Five business volunteers who completed first year assignments are either presently matched with new agencies or awaiting a suitable applicant.

As the MAP becomes more widely known, its popularity increases with agencies and volunteers alike. The 1979 goal is 40 agency-volunteer consultations, with 60 or 70 representing a realistic ultimate goal for the future without an expansion of program operating costs. The professional services provided by volunteers represent an obviously valuable resource to agencies, and would cost $30 or more per hour otherwise, according to established charges set by several participating companies.

But the benefit runs beyond the sphere of economics. Not calculated in the dollar figures are the ongoing, informal relationships between former volunteers and the agencies they served. As Steve Gibbs of Free Store asked, "How can you put a dollar value on the ties built between the corporate community and non-profit agencies? You can't buy that."

JF/II-100
1/31/79

Management Assistance Program Participating Corporations

Company	Number of volunteers
Baldwin Piano & Organ	2
Central Trust Company	2
Cincinnati Bell Telephone	2
Cincinnati Milacron	1
Covington Trust	1
Drackett Company	1
Ernst & Ernst	3
Federated Department Stores	3
Fifth Third Bank	3
First National Bank of Cincinnati	3
General Electric	4
Kohlhepp, Hofacre & Wolfe, CPA's	1
Kroger Company	1
Peat, Marwick, Mitchell, & Co.	1
Procter & Gamble	7
Taft Broadcasting Company	2
Western Southern Life Insurance Company	3

JF/JJ-27

Goals of Recent MAP Volunteer-Agency Consultations

A. General Administration

1. Development of system to record, summarize, and provide management reports on casework contacts and efforts.
2. Organizational development of a new agency.
3. Review of agency's program policies and practices, and establishment of supporting business systems.
4. Assessment of agency's administrative practices, and recommendations for their simplification to promote efficient management analysis and planning.
5. Development of office practices and standards in a new agency.
6. Establishment of program policies and directions, and development of a strategy to implement them.
6. Evaluation of agency's management system, with recommendations for modification to improve efficiency, and assistance in management planning for the agency's future growth.
7. Development of a record keeping system for a new agency.

B. Financial Management

1. Evaluation of agency's financial controls and practices, and help in improving the agency board's skill in financial matters.
2. Analysis and projection of agency's cash flow, and design and implementation of a system to provide financial information to agency management.
3. Development of long range financial goals for the agency, and simplification of its financial reporting system.
4. Review of agency's accounting procedures and recommendations for their mechanization, and projection of program-budget relationships and long term needs.
5. Review of public agency's fee policies relative to client's ability to pay.

C. Accounting

1. Effective utilization of accounting documents and improvement of agency's internal controls.
2. Simplification and enhanced usefulness of bookkeeping practices and their control by management.
3. Development of a bookkeeping system for a new agency.

4. Review of accounting procedures to reconcile with management's actual reporting needs.

5. Development of an overall system of financial records currently maintained by funding source alone.

7. Modifications to agency's internal practices necessitated by changes to vendor-supplied and operated accounting system.

D. Public Relations

1. Development of a public relations program to publicize agency's programs, attract volunteers and members and promote product sales.

2. Technical assistance to agency's in clarifying its public relation goals and the development of techniques to achieve them.

E. Personnel Administration

1. Reorganization of agency's personnel structure to accommodate expansion of staff and programming.

2. Development of a master plan to improve the effectiveness of the agency's professional staff in daily operations.

3. Assistance in designing and utilizing effectively the agency's personnel evaluation form.

4. Development of a comprehensive supervision and review system in a large agency.

5. Assistance in promoting effective staff communications and relationships in a small agency.

JF/JC-24

Community Chest & Council
Community Resources Division
Management Assistance Program
Mrs. Chris Meekin, Chairperson

EXHIBIT IV

Page 1 of 3

AGENCY	PRIMARY SERVICE PROVIDED BY AGENCY	VOLUNTEER CONSULTANT	COMPANY OF VOLUNTEER	EXPERTISE OF VOLUNTEER	SPECIFIC MANAGEMENT CONCERNS ADDRESSED	RESULT	HOURS ALLOCATED BY VOLUNTEER	ESTIMAT COST OF SERVICE RENDERE
Coalition of Neighborhoods	Community Organization	Frank Caccamo	P&G	Management Financial Accounting	Budget report	Completed successfully	20	$350
East End Health Center	Ambulatory health services	Jerry Lafferty	P&G	Accounting	Proposal for purchases and renovation of facility	Completed successfully. Priority of need for assistance received is questioned.	10	$200
West End Health Center	Ambulatory health services	Jack Malone	P&G	Manufacturin Management	Five-year client and fiscal projections	Completed successfully	40	$750
West End Development Corporation	Economic development	Ed Gough	Fifth Third Bank	Accounting	Funds flow analysis	Completed successfully	20	$750
West End Credit Union	Credit Union	Jim Noble	Fifth Third Bank	Consumer lending	Collections problems	Solution developed - agency went out of business before orientation	8	$260
Negro Sightless Society	Residential health services for aged	Tom McAuliff	Fifth Third Bank	Community lending	Fund raising	Strategy developed; director had heart attack and agency did not follow up	30	$750
Bond Hill Child Care Center	Day Care	Eugene Murray	General Electric	Manufacturin	Financial and administrativ	Initial meeting with director. Attempts to contact agency board failed and assignment was terminated.	10	
Madisonville Day Care	Day Care	Richard Wiater	General Electric	Auditing Financial	Cost effectiveness survey on expansion	Completed successfully	20	$1000

Community Chest & Council
Community Resources Division
Management Assistance Program
Mrs. Chris Meekin, Chairperson

AGENCY	PRIMARY SERVICE PROVIDED BY AGENCY	VOLUNTEER CONSULTANT	COMPANY OF VOLUNTEER	EXPERTISE OF VOLUNTEER	SPECIFIC MANAGEMENT CONCERNS ADDRESSED	RESULT	HOURS ALLOCATED BY VOLUNTEER	ESTI COST O SERVIC RENDE
Walnut Hills Child Care	Day Care	Phil Mendes	General Electric	Budgets Forecasting	Personnel policies	Director resigned. Volunteer forced to withdraw because of new work assignment.	4	
Camp Washington Community Council	Neighborhood Services	Michael Gleim	Federated	Merchandising systems	Relationship between Board and staff: Communication and flow chart	Completed successfully. Volunteer still monitoring	25-30	$100
Kennedy Heights Youth Service Bureau	Youth services and counseling	Ralph Holt	Federated	Marketing	Proposal development	Completed successfully. Volunteer felt that assistance requested was not a priority for the agency.	10	$175
Free Store	Emergency services (food, clothing)	Kathy Luby	Ernst & Ernst	Accounting	Fiscal reporting; control system	Completed successfully	60	$400
Resident Arts & Humanities Council	Cultural services	Dave Purcell	Ernst & Ernst	Accounting	Funds flow analysis	Completed successfully. System developed and implemented but agency has not followed up on volunteer's attempts to review results of using new system.	15	$300
Bond Hill/ Paddock Hills Community Urban Revelopment Corporation	Economic Development	Bill Ernst	Ernst & Ernst	Accounting	Bookkeeping system	Completed successfully. Volunteer is waiting to review effectiveness of system.	30	$900
Terrace Guild	Emergency services (food, clothing)	Wm. Callory, Jr.	First National	Banking	Bankruptcy; audit; and allocation of costs for donated gifts	Completed successfully	15	$300

Community Chest & Council
Community Resources Division
Management Assistance Program
Mrs. Chris Heekin, Chairperson

Page 3 of 3

AGENCY	PRIMARY SERVICE PROVIDED BY AGENCY	VOLUNTEER CONSULTANT	COMPANY OF VOLUNTEER	EXPERTISE OF VOLUNTEER	SPECIFIC MANAGEMENT CONCERNS ADDRESSED	RESULT	HOURS ALLOCATED BY VOLUNTEER	STIM COST OF SERVIC RENDER
Mt. Auburn Health Center	Ambulatory health services	George Kennedy	First National	Banking	Funding package	Initial meeting. Agency has not responded to repeated requests for additional information.	5-10	
Avondale Community Council	Community organization	Michael Kolchin	First National	Purchasing	Board-staff relationships	Completed successfully. Written solution developed and submitted. Board has not yet contacted volunteer to assist with implementation.	20	$375
James Temple Day Care	Day Care	Richard Dineen	First National	Banking	Bookkeeping system	Completed successfully	10	$250
Northern Kentucky Community Center	Neighborhood services	Rick Tabeling	Covington Trust	Banking	Delegation of accounting	Completed successfully. Volunteer is concerned that it may not be maintained.	15	$750
Winton Hills Medical & Health Center	Ambulatory health services	Bill Bieberbach	Taft Broad-casting	Research & development	Funding package	Postponed - volunteer temporarily assigned to West Cost		-

1/78

Community Chest and Council of the Cincinnati Area Management Assistance Program

Consultation Contract

Client: Mr. James W. Buckner, Executive Director, West College Hill Neighborhood Services Project

Consultant: Mr. James R. Kalla

Goal of Consultation: The development of a Master Plan to improve the effectiveness of the Professional Staff of the W.C.H.N.S.P. in their daily operations.

Approach:

1. With the aid of the client (to include all members of the Professional Staff)
   - diagnose and define those daily operations in need of improvement.
   - help develop alternative plans of action toward the improvement of the specified daily operations.

2. Where possible integrate the use of accepted policies, procedures, and organisational plans from other social service agencies.

3. Help the client in the choice of action plans to be implemented.

4. Help the client with the agreed-upon action plan by orienting staff personnel to their new roles and responsibilities and training them in needed skills where necessary.

5. After the successful implementation of the new Master Plan, re-access its value with the client and suggest further improvements where necessary.

As specifically requested by Mr. Buckner, this consultative process will investigate the need for ...

- a supervisor/office manager for the professional staff.
- a sophisticated purchase order system.
- a comprehensive personnel evaluation system.

Role of Consultant:
1. Gather information.
2. Help develop alternative plans of action.
3. Provide necessary training.

Community Chest and Council of the Cincinnati Area Management Assistance Program

Consultation Contract

Page Two

Role of Client: 1. Information source.
2. Decision maker.
3. Implementer of agreed-upon action plans.

Estimated Effort - Consultant: 20 - 30 hours.

Target Completion Date: December 31, 1978

James W Buckner
James W. Buckner
Executive Director, W.C.H.N.S.P.

James R Kalla
James R. Kalla
Consultant, M.A.P.

JRK:baw
8/14/78

Personal Interest

19 Cincinnati-area Executives Serving as Consultants to Inner-City Organizations

By FRANKLIN SMITH

CINCINNATI — Nineteen business executives in the Cincinnati area for the past two years have been serving as part-time volunteers in a pilot program in which they act as consultants to leaders of inner-city neighborhood and community organizations.

The executives are from companies such as the First National Bank of Cincinnati, Central Trust Co. NA, Fifth Third Bank, Covington Trust & Banking Co., Covington, Ky., General Electric Co., Procter & Gamble Co., and Ernst & Ernst Public Accounting.

The Cincinnati program, called the Management Assistance Program, or MAP, is sponsored by the Cincinnati United Way Community Chest. It is funded through a grant from ACTION, the federal volunteer agency that administers the Peace Corps, VISTA and the Older American Volunteer Programs.

In sharing their expertise with nonprofit agencies that bring services to low-income persons, these 19 volunteers are pioneering in what may become an ACTION national urban volunteer program.

President Carter's proposed urban partnership program, now awaiting congressional floor action, would establish an Urban Volunteer Corps comprising citywide resource banks of specialized volunteers in 150 cities.

Volunteers from the banking industry include Robert A. Cline Jr., senior vice president, consumer banking division, Fifth Third Bank, and Oliver W. Waddell, senior vice president-banking office administration department at First National Bank of Cincinnati.

Messrs. Cline and Waddell have been instrumental in helping to organize the Management Assistance Program, and serve on its committee.

The bankers offer advice budgeting, financial planning, accounting, and bookkeeping, as well as other areas.

"These Cincinnati businessmen and women are sharing the expertise that has made their own companies successful," Action director Sam Brown said.

"A recent Gallup poll showed that 69% of city residents would volunteer their time to improve their communities," Mr. Brown commented. "But neighborhood organizations, traditionally run by dedicated, highly motivated volunteers, are seldom staffed by persons with the management skills that could mean success instead of failure for their projects."

MAP is a prototype of the Technical and Management Assistance component of the President's urban proposal. In addition to managerial assistance, the TMA programs will offer technical assistance as provided by volunteer architects, lawyers, planners and craftsmen. Another form of technical assistance is a program in which volunteers will counsel persons living on fixed incomes.

Mr. Brown estimated that about 35,000 part-time urban volunteers would be enlisted nationally in projects funded after active consultation with and concurrence by locally elected officials.

"It is important to add that the United Way/Community Chest vehicle used in the Cincinnati MAP is but one of many lead agencies that could sponsor TMA programs," Mr. Brown said.

He added: "We want to stress the decentralized nature of the TMA idea. Local volunteers and resources will be matched with local needs. Maximal involvement in agency selection will insure citywide as well as neighborhood-wide benefits."

Local lead agencies could be community action programs, Urban Leagues, United Ways, Catholic Charities, mayors' offices and coalitions of neighborhoods, Mr. Brown said.

Like MAP, their clients would include day care and health centers, neighborhood coalitions, development corporations, youth and elderly groups, credit unions, and community councils.

For example, one of MAP's clients was Cincinnati's Free Store, a nonprofit organization that provides food, clothing, shelter and medical attention to about 1,000 persons a month. It is now Cincinnati's fifth largest receiver of referrals. When the Red Cross declares a disaster in the area, Free Store becomes its emergency food arm, maintaining rescue and food delivery operations during the crisis.

The Free Store was started in 1969 by three men with a truck they used for furniture and food deliveries to the needy. By 1977, the Free Store had a staff of 19. But it had no books, ledgers, journals, inventory mechanisms, no internal controls, and no more room in the church basement that once had been the home of three people.

In 1977, Bob Ivory, then MAP director, met with Free Store director Steven Gibbs. Mr. Ivory sent MAP volunteer Kathy Luby, Ernst & Ernst's senior financial analyst, to review Free Store's economic situation.

Mr. Gibbs and Ms. Luby signed the MAP agreement insuring that both parties are working towards the same end, and Ms. Luby set up bookkeeping, inventory and payroll systems. She volunteered 60 hours over a four-month period. The average MAP volunteer donates about 20 hours over a two- to six-month period.

Free Store, now has an accounting system to keep track of the grants and donations on which it survives. The staff has inventories of surplus food, clothing and furniture donations Free Store receives. They know exactly how much money they have, owe and spend. They can make plans to broaden and improve their services.

"We're terribly excited about MAP," Cincinnati United Way executive director Bob Gilmore, said. "We've just scratched the surface."

"The idea of exec loans is not new, but the MAP idea — offering executive help in an on-going program — is a step that could be developed in United Way groups around the nation," he said. "The need is massive and the resources are considerably greater than we realized."

A MAP report cited national statistics that show a 15% to 20% failure of nonprofit human service organizations within the first 18 months of operation, largely due to poor management.

MAP funding in 1977 was an $18,000 ACTION grant that covered costs. Three part-time Community Chest volunteers comprised the staff. In 1978, ACTION granted $15,000 and the chest provided $13,000 to cover costs and hire a full-time Map director, John Fisler.

"Most community groups need some kind of management assistance," Mr. Fisler said. "But we've learned that many agencies don't want to openly admit to needing help."

Seminars have been one way to involve agencies that are hesitant to ask for help, Mr. Fisler noted. Personnel management, grantsmanship and accounting have been the most popular topics at the half-day seminars, which are limited to 40 participants. Chris Hecken, MAP's volunteer chairwoman, is increasing the number of seminars to be held in the spring.

Mrs. Hecken, "high on the program from the start," also is chairwoman of the MAP task force, which is composed of community, corporate and agency representatives. The task force is evaluating the MAP process and results. Based on its recommendations, a model TMA plan will be developed to share with other cities.

"It is phenomenal how much respect volunteers have developed for agency directors," she said. "They were really impressed with their motivations and their capabilities."

Frank Caccamo, manager of Procter & Gamble's management systems department, tried problem-solving, counseled Jay Jordan, director of the Coalition of Neighborhoods, preparing budget reports.

"I keep wanting to say how great I feel about this," Mr. Caccamo said. "At a very local level, the coalition is doing what should be done locally, not federally — dealing with problems of housing, education, juvenile delinquency. And it's not like fund-raising — you see real people, deal with real problems.

"Jordan had no accountant on his staff. He had only a sense of his budget and was not on top of his accounts."

Mr. Caccamo explained the computerized accounting systems available to Mr. Jordan at the Community Chest. He also showed him how to prepare a monthly financial statement on one sheet of paper. Now, he said, Mr. Jordan "can go to a quarterly financial meeting and put his report out in front and know exactly how he's doing.

"I see a great deal of potential in this program," Mr. Caccamo added. "For every federal dollar, you get $25 or $50 in the end. And there are a whole lot of intangibles with no way you could put a dollar value on them." ■

Management Assistance Program Map director John Fisler, right, has introduced Procter & Gamble computer systems analyst, Jim Kalb, center, to James Buckner, executive director for the West College Hill Neighborhood Services Project. Since it was created in the 1960s, the West College Hill Neighborhood Services Project's budget has risen from $50,000 to $100,000. The program provides health, housing, recreation, youth and elderly programs. Mr. Buckner needs to assess the project's financial standing to see if it can further services and to obtain some space for staff and programs.

Alabama

BIRMINGHAM TRUST NATIONAL: Dr. Merrill N. Bradley and **William C. Hulsey** have been elected directors. Dr. Bradley is Clinical Professor of Surgery at the University of Alabama Medical Center while Mr. Hulsey serves as president and director of Garber, Cook & Hulsey, Inc.

California

BANK OF CALIFORNIA NA, San Francisco: Stephen H. Brinck, assistant vice president and assistant manager of the bank's San Leandro office, has been promoted to branch manager.

WELLS FARGO & CO., San Francisco: Gloria B. Reyes has been promoted to assistant vice president in Wells Fargo Leasing Corp., a subsidiary.

Colorado

UNITED BANK OF DENVER NA: Appointed were **Howard R. Fairbairn** and **Richard M. Hall Jr.** as assistant vice presidents. Other new appointments are **Sherry A. Randall,** accounting officer, **Lynn Waterman,** commercial banking officer, and **Leroy Montoya,** personal banking officer.

Florida

SOUTHEAST BANKING CORP., Miami: Bruce W. Kellner has joined the banking holding company as legal affairs officer from the firm of Bouch Holloway & Kiernan in Albany, N.Y., where he had been an associate attorney since January, 1976. **Lawrence Silvergate** has joined Southeast as personnel manager from Coulter Electronics in Miami where he had been employment manager since September 1974. **Richard E. Flanigan** has joined Southeast as manager-advertising, from State National Bank of Connecticut in Bridgeport, where he had served as vice president-marketing, since March 1974. **Robert D. Linder** has joined the bank holding company as manager-sales development. In addition, he will serve as assistant vice president-marketing, Southeast First National Bank of Miami. Previously, Mr. Linder was president of Financial Training Systems of Richardson, Tex.

FIRST NATIONAL BANK OF CAPE CANAVERAL: Roger Bruce and Louis S. Tiller have been elected directors. In making the announcement, **M. G. Sanchez,** chairman, said that Mr. Bruce was also named to the newly created position of vice chairman. Mr. Bruce serves as chairman of First National Bank of Orange County in Winter Garden. Mr. Tiller is chairman of First Citrus Bank of Indian River County in Vero Beach.

Georgia

FIRST RAILROAD BANK & TRUST CO., Augusta: William T. Hughes has been promoted to assistant vice president. Promoted also were **David J. Burroughs** to commercial loan officer, and **Leon M. Stallmiller Jr.** to commercial credit officer. New officers elected were **David Miller,** operations officer, and **Edgar L. Parrish,** loan adjustment officer.

Illinois

CITY NATIONAL BANK & TRUST CO., Chicago: The bank has announced two new appointments to the staff. **Merlin Miser** has become vice president and chief lending officer. **Gary Lenhart** is now trust officer. The following promotions have also been made: **Richard W. Burkes** to executive vice president, **Richard K. Pettenger** to vice president, and **Larry G. Woessner** to assistant vice president.

Louisiana

AMERICAN BANK & TRUST CO., Baton Rouge: W. J. Noel has been named senior vice president of Great American Corp. and will head the banking services group as senior vice president and cashier of American Bank, a wholly owned subsidiary of Great American Corp. **Joseph N. Traigle,** bank president announced the promotion and stated that the following departments will report to Mr. Noel: bank operations, data processing, branch administration and correspondent banking.

Massachusetts

BAYBANK HARVARD TRUST Co., Cambridge: Paula C. Rouleau has been named tax officer. **Paul D. Sparre** has been named a vice president in the real estate department.

DURFEE TRUST CO., Fall River: Edward R. Woods has been appointed a loan officer and manager of the bank's special loan group and collection department. He comes to Durfee from New England Merchants National Bank of Boston where he has served as a loan officer since 1969.

Missouri

BOATMEN'S NATIONAL BANK OF ST. LOUIS: David G. Hendrix has been elected trust officer. He is in the new business section of the bank's trust division.

Lending management to community groups

For the past two years, Cincinnati business executives from corporations such as Ernst and Ernst, Procter & Gamble, and General Electric have been serving as part-time volunteer management and financial consultants to leaders of inner-city neighborhood and community organizations.

Their activities are part of a pilot project called the Management Assistance Program (MAP) sponsored by the Cincinnati United Way/Community Chest and funded through a grant from ACTION, the federal volunteer agency. Said Cincinnati United Way executive director Bob Gilmore: "These local business men and women are sharing the expertise that has made their own companies successful. The idea of 'exec loans' is not new, but the MAP idea—offering executive help in an ongoing program—is a step in the right direction."

The MAP task force, comprised of nine community, corporate and agency representatives, found that most community agencies need some kind of management assistance, but rarely admit openly to needing help. Thus, in an attempt to reach these agencies, the Cincinnati group held a series of seminars covering personnel, grantsmanship, accounting, and related topics.

Frank Caccamo, manager of the management systems department at P&G's food products division, is typical of the businessmen lending their expertise. Caccamo, a systems analyst, counseled Jay Jordan, director of the Coalition of Neighborhoods, on preparing budget reports: "Jordan had no accountant on his staff. He had only a sense of his budget and was not on top of his accounts. I explained the computerized accounting system available to him at the Community Chest. I also showed him how to prepare a monthly financial statement on one sheet of paper. Now, Jordan can go to a quarterly financial meeting and put his reports out in front and know exactly how he's doing."

Caccamo sees a lot of potential in the MAP program. "The federal government requires a lot of paperwork aimed at accountability from agencies it funds. There's a better alternative: organizations should provide their own accountability—to themselves. Here is where industry and business can help; accountability is a way of life in business. The key feature of the MAP program is that in terms of volunteer executives—representing themselves and not their companies—it really doesn't take much of their time, but their impact is great. There's an excellent ROI on time and expertise."

The coming months may see more MAP programs in other cities. The Cincinnati MAP is a prototype of the Technical and Management Assistance (TMA) component of the urban partnership program now before Congress. The program provides for an urban volunteer corps that will create city-wide resource banks of specialist volunteers in some 150 cities.

Two-tier bidding system aids university purchases

In an effort to streamline purchasing procedures and to devise a package that would benefit both its large and small campuses, the University of California has established a "two-tier" bidding procedure. The bid package requires bidders to quote two prices for the goods being solicited, one price for a single small-volume order (SVO) and another, better price for a single large-volume order (LVO), with the bidders to state their minimum order requirements for both.

Tom Trainum, planned purchasing coordinator, UCLA campus, explains the two-tier bidding approach: In 1967, the University established a program to identify common high-use items from each of its nine campuses, consolidate usage of these items from the individual campuses into a single-bid package, and bid that package to the market on a yearly contract basis. The purpose was to obtain a better price for the items based on the larger volume of the university system as a whole as opposed to the price that any single campus, bidding on its own, might obtain.

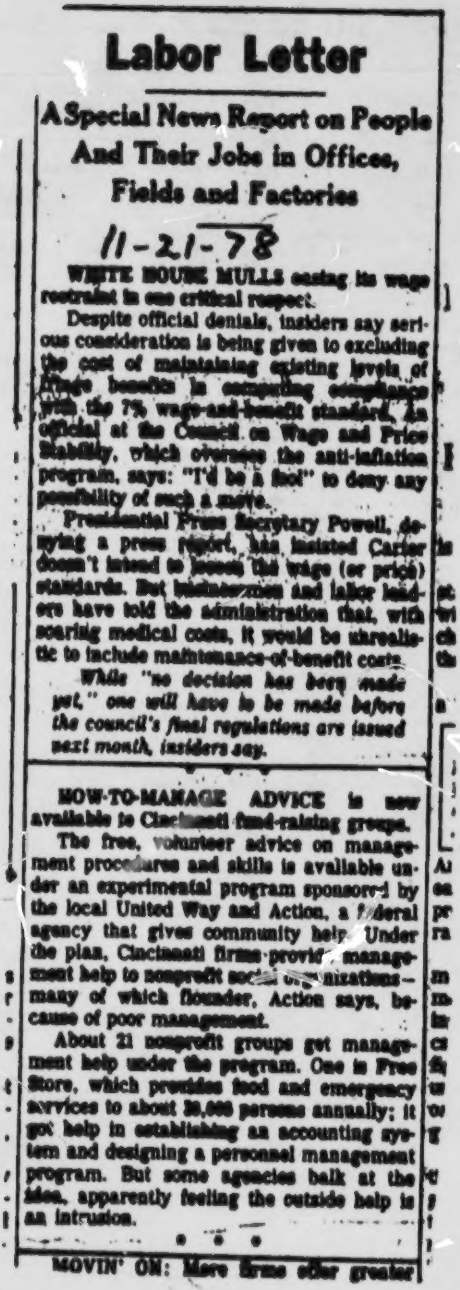
While this approach has proven wise, there was a problem because the university had no central warehouse that could order and stock goods in very large quantities. Consequently, each campus was required to operate its own storehouse. The larger campuses had larger storehouses and could place larger single-volume orders than could smaller campuses, but until recently this difference was not taken into consideration when bidding yearly contracts on supplies such as pens, pencils, chemicals and surgical instruments for medical training.

Previously, the bids had asked for only one price for the total quantity of goods regardless of single order size and low minimum order requirements were encouraged. This was done so that the smaller campuses, while placing smaller single orders, would still be able to take advantage of the better price offered by the bidder in consideration of the larger volume of the total university system. The larger campuses, however, felt they were being penalized in this procedure because, even though they were placing much larger-volume single orders than the smaller campuses, they were still receiving the same contract price.

The two-tier bidding approach has been tried over the past two years, and, according to Trainum it is working well. "This whole approach gives incentive to companies to do business with us. Also, there are indirect savings you don't readily see: there are less orders, and less time is spent handling material."

Trailways asks senior citizens about their bus-travel needs

Trailways, Inc., the nation's second largest intercity bus company, has formed a senior citizens advisory council



Labor Letter

A Special News Report on People And Their Jobs in Offices, Fields and Factories

11-21-78

WHITE HOUSE MULLS easing its wage restraint in one critical respect.

Despite official denials, insiders say serious consideration is being given to excluding the cost of maintaining existing levels of fringe benefits in computing compliance with the 7% wage-and-benefit standard. An official at the Council on Wage and Price Stability, which oversees the anti-inflation program, says: "I'd be a fool" to deny any possibility of such a move.

Presidential Press Secretary Powell, denying a press report, has insisted Carter doesn't intend to loosen the wage (or price) standards. But businessmen and labor leaders have told the administration that, with soaring medical costs, it would be unrealistic to include maintenance-of-benefit costs.

While "no decision has been made yet," one will have to be made before the council's final regulations are issued next month, insiders say.

* * *

HOW-TO-MANAGE ADVICE is now available to Cincinnati fund-raising groups.

The free, volunteer advice on management procedures and skills is available under an experimental program sponsored by the local United Way and Action, a federal agency that gives community help. Under the plan, Cincinnati firms provide management help to nonprofit social organizations — many of which flounder, Action says, because of poor management.

About 21 nonprofit groups get management help under the program. One is Free Store, which provides food and emergency services to about 20,000 persons annually; it got help in establishing an accounting system and designing a personnel management program. But some agencies balk at the idea, apparently feeling the outside help is an intrusion.

* * *

MOVIN' ON: More firms offer greater

MANAGEMENT
ASSISTANCE
PROGRAM

A service of
The Community Resources Division of
The Community Chest and Council
of the Cincinnati Area
2400 Reading Road
Cincinnati, Ohio 45202
(513) 621-5000

Fall 1978

Management Assistance Program offers services

The Management Assistance Program (MAP), a service linking experienced business volunteers to Cincinnati-area social welfare agencies seeking organizational help, has announced plans to expand. The program's current objective is to provide the services of expert consultants, free of charge, to 65 agencies by next spring.

The program was begun as a demonstration in 1977 through a grant from the federal government; it quickly proved itself by arranging 13 successful agency-volunteer pairings. The assistance is available without charge to qualified agencies (not-for-profit agencies or organizations engaged in promoting social services to the Greater Cincinnati Area).

The program is notable for a number of reasons. The sponsoring federal agency, ACTION, intends to use MAP as a model for a national series of similar services, developing management groups responsive to local agency needs in communities across the country. Also, the Cincinnati effort provides a new vehicle for the local Community Chest to expand its community involvement beyond the sphere of Chest-member agencies. The Community Chest operates MAP as a co-sponsor with ACTION.

The program's most novel feature is the enthusiastic response of area corporations and their employee volunteers. Each agency-volunteer pairing matches the management strength of a volunteer to an agency's needs. Volunteers completing assignments speak enthusiastically of their experiences and a number have signed up for future assignments. Typically, volunteers have expressed a sense of professional challenge at the surprising complexity of agency management issues which they have uncovered. For their part, participating employers have agreed to permit the volunteer to use company time in completing the assignment and, to date, indicate pleasure with results of their involvement.

Agencies using the service have reported significant benefits. The assistance sought covers a broad spectrum of topics, including general administration, accounting, budgeting and money management, personnel and public relations. The value of MAP services has been expressed in the number of referrals and second assignment requests from these agency participants.

While management consultation has so far been MAP's major thrust, program offerings include seminars and other educational opportunities for social agency managers to sharpen their skills. MAP's goal is to establish itself as a viable center responsive to management needs typical of Cincinnati non-profit agencies.

The program plans to increase its role in helping client agencies find solutions to their particular management problems. However, a more comprehensive goal is expected of each consultation or seminar beyond immediate problem solution. The business volunteer is charged with training agency management in appropriate fundamental management skills as the assignment unfolds. Thus, the benefit to the agency goes beyond resolution of its original request, leaving management with new techniques for the future.

MAP is a new venture, providing a vital link between the Cincinnati business volunteer community and the non-profit social service executive. Working together, they work for all of us.

MAP explains procedure for obtaining agency assistance

What services can MAP provide to an individual agency?

Although that question can be answered only by the agency executive in the long run, MAP does offer a few aids in that determination. The process begins with a call to the MAP office, since MAP has the services of a full-time professional director. Based on the agency's described needs and the MAP director's knowledge of other MAP-agency activities, the MAP director gives the agency executive a first-hand feel for MAP's capabilities.

In requesting assistance, a formal one page application stating the agency need and giving approval of the agency governing body must be submitted to the MAP office.

(continued on next page)

MAP explains

(continued from front page)

This application provides the basis for determining both MAP's ability to offer meaningful help and the skills required of a proper volunteer.

A Screening Committee, comprised of volunteers from both agency and business management, reviews each application. The applying agency head will be asked to meet with this committee, explaining the background of the request. Once a fair determination of agency needs and MAP's ability to assist has been made, the process is complete. A volunteer is then assigned as soon as available, usually within four weeks of application approval.

Last year, one agency received assistance in understanding its accounting reports, while several sought help in developing workable bookkeeping procedures. Other agencies benefitted from advice on improving their personnel management systems. Also completed were assignments dealing with agency cash flow, property acquisition and forecasting.

Refinement of the Management Assistance Program's structure continues, attempting to insure responsiveness to agency needs. The program's sole justification dwells in the level and quality of service provided. MAP offers professional, voluntary business advice geared to the particular needs of agencies and agency management, and invites all agency inquiries.

Washington backs MAP as pilot project

ACTION, the federal agency promoting voluntarism through such programs as the Peace Corps and VISTA, funds one-half of MAP as a pilot program, and plans to use its experiences in Cincinnati to encourage similar programs nationally.

Other MAP-like programs exist in several other cities, most notably New York, but all have significant differences from the Cincinnati experiment. The local program also permitted ACTION to participate in founding such a service, collecting information critical for national application. In MAP's first year, ACTION provided 100% of program funding.

The federal rationale for MAP-type programs runs as follows. On a national scale, tremendous sums are devoted to human service agencies and programs by local communities and government. With an awakening public interest in efficient public resource utilization, improved agency management techniques may well increase the level and quality of service provided, while controlling their cost. Many agency managers, though skilled service providers, lack management training. It is hoped that MAP-type programs can provide useful training and consultation, but less expensively than the cost of paid professional consultants on a case-by-case basis.

At press time, the ACTION budget was before the Congress, with testimony being heard recommending funding for management programs in other communities. President Carter supports passage of this legislation and has included management assistance programs in his urban policy.

So great is the interest in MAP that in August ACTION sent a reporter to take notes and pictures on program elements and results. The reporter spent three days talking with professional staff, policy volunteers, consultants and agency participants. A story for national distribution on the Cincinnati program has been written as the outcome of that visit.

Seminars offer generalized management training

Though individual agency consultations comprise the major service of MAP to date, for some topics structured group seminars prove more appropriate.

Agency personnel have the opportunity to exchange experiences on seminar topics in these sessions, and presentations emphasize meeting the practical, day-to-day management needs of agencies.

Such seminars again draw heavily on volunteers, in this case as speakers and faculty. For each seminar, an experienced agency manager and skilled business volunteer are teamed. This "dual perspective" approach helps insure expert presentation of information and techniques useful to agency management.

In its first year, MAP offered seminar series on accounting practices and personnel policies. Both topics were fully subscribed in all their offerings; evaluations by attendees were favorable. MAP staff scrutinized suggestions received and future seminars will incorporate the best of these observations.

MAP anticipates beginning the next seminar series in late winter, and will announce details as they become available. The program currently assists several agency groups in preparing specialized workshops for their memberships and considers requests from other bodies. MAP participation in these projects, however, will be limited to a time- and resource-availability basis.

Suggestions from agencies for topics of widespread interest and application are earnestly sought by the program. They may be forwarded via mail or telephone to the MAP office.

"...ACTION, the federal agency promoting voluntarism through such programs as the Peace Corps and VISTA, funds one-half of MAP as a pilot program and plans to use its experiences in Cincinnati to encourage similar programs nationally."

"...MAP is a service linking Cincinnati-area social welfare agencies seeking organizational help."

Business community provides backbone

Business volunteers form MAP's core, with local companies donating the time of managers and staff personnel for the 5 to 60 hours necessary to complete each agency consultation.

While individual agency consultations account for the majority of donated volunteer hours, a significant number of volunteers participate in program policy roles. Many of these policy leaders occupy positions of substantial influence and visibility in the Greater Cincinnati community, attesting to the great interest in the concept from the business perspective. Though service to local agencies justifies the program's existence, local business through its participation provides the means needed to provide the service.

Cincinnati companies which have lent staff to MAP since its inception include **Arthur Anderson**; **Central Trust**; **Cincinnati Bell**; **Cincinnati Milacron**, **Covington Trust**; **The Drackett Company**; **Ernst and Ernst**; **Fifth Third Bank**; **General Electric**; **Federated Department Stores**; **The Kroger Company**; **Peat, Marwick, Mitchell**; **Procter and Gamble**; **Taft Broadcasting**; **Western Southern**; and **First National Bank**.

The record of the business community in philanthropy toward worthwhile community causes is well-documented. As part of their community involvement, a number of Cincinnati companies have informal policies of management assistance to agencies requesting such help. However, MAP represents the first community-wide effort aimed at linking any qualified private, non-profit agency with the combined resources of Cincinnati businesses.

Business leaders who have been approached have been enthusiastic in their assessment of MAP's potential. They welcome this innovative opportunity to contribute to the efficient utilization of resources donated for social assistance by the citizens and businesses of Greater Cincinnati.

Volunteers dedicated to agency assistance

As this newsletter goes to press, at least 17 business volunteers actively assist human service agencies in Cincinnati through MAP. Thirteen volunteers completed agency assignments in the program's initial year, and eight more await an agency match suitable for their talents.

Most participating businesses permit volunteers to use company time, but many consultants develop far deeper commitments. Some schedule meetings for evenings as well as during normal working hours; one offered to finish a preliminary study for his agency during his upcoming vacation. Typically, these volunteers are not only capable business managers and technicians, but are also concerned with the "people needs" of our area.

Volunteers occupy a crucial role in the organization and management of MAP itself, forming an overall policy committee suggesting program directions and evaluating progress. Their involvement provides the best agency assistance possible, utilizing the talents of consultants to the greatest benefit. A second volunteer group screens all agency assistance requests, insuring the right help from the right consultant.

MAP participants report fruitful experiences coming from agency assignments. Their comments justify the decision to pursue the vigorous growth reflected in this year's goal of 65 agencies served. These same volunteers in many cases back up their verbal enthusiasm by continuing in the program or by encouraging their colleagues' participation.

Agency participants

The following agencies represent a partial listing of participants in the Management Assistance Program. Their names are used with their permission.

Cancer Family Care
Cathedral Child Development Center
Clermont Association for the Physically Handicapped
Covington Community Center
Greater Cincinnati Nutrition Council
Little Miami
New Life for Girls
Northern Kentucky Rape Crisis Center
Radio Reading Services of Greater Cincinnati
Short/Long Term Residential Care
Urban League of Greater Cincinnati
West College Hill Neighborhood Services Project
Winton Hills Medical and Health Center.

In closing. . .

The Management Assistance Program is headquartered in the Community Chest Building, 2400 Reading Road, Cincinnati, Ohio 45202. Inquiries by agencies, businesses, or potential consultants may be directed to this address. Information may also be obtained by calling 621-5000, ext. 191 and asking for John Fisler, program director.

MAP's sole purpose is community service, introducing human service agencies to experienced, service-oriented businesspersons. If you have a management need, or a skill to offer, MAP encourages you to investigate participation in this program. Working together, agencies, businesses and management volunteers have been building a better Cincinnati and Northern Kentucky, with MAP as their catalyst. Join them!

Some reactions to the Management Assistance Program:

"Learned how to set up a simplified accounting system. Eliminated a lot of unnecessary work."

— Day care director

"...a rewarding and enjoyable experience."

— Management systems volunteer

"I'm looking forward to further assignments in the future."

— Accounting volunteer

"This program is valuable in correlating community needs on a down-to-earth basis..."

—Banking volunteer

Senator CRANSTON. Thank you very much.

Mr. DESJARLAIS. My name is Leo Desjarlais. I am the executive director of the Greater Lowell, Mass., Community Action Agency, and president of the Massachusetts Community Action Agencies Directors Association.

I am not president of the national Community Action Programs Directors Association, as our formal statement indicates.

It is too bad that Senator Tsongas, your new colleague, was not able to be back here, because I know he has a particular interest in this legislation, having been a former Peace Corps volunteer in Ethiopia and on the staff of the Peace Corps for at least a year in the field.

First of all, let me say I am representing the National CAP Directors Association. There are certain areas of the legislation that we are particularly concerned about.

Let me say to begin with that our agency in Lowell, Mass., is approximately $6 million a year in funding, from about 12 different funding sources at all levels of government representing about 2½ dozen separate funding programs.

Among the most important of these projects are three funded by ACTION from their older American volunteer program. These are the foster grandparent program, the retired senior volunteer program, and the senior companion program.

Therefore, in our community, we have close to 400 senior citizens working in a variety of situations, and thereby contributing their talent and skills to others.

Let me say, however, because of our extensive involvement with ACTION in the past, at least on the level of these three projects, we have followed very closely the reauthorization legislation at the national level.

I would be less than candid if I professed no concerns with S. 239. My first concern—and I might add, the concern of every CAP director, whether urban or rural, who is familiar with this bill—is with part D, the urban neighborhood volunteer programs. It appears to community action agencies that the purpose of the neighborhood volunteer programs, "to strengthen and encourage the involvement of individuals, neighborhood groups, voluntary associations, labor organizations, local enterprises, local government, and other local entities in community revitalization, and person-to-person activities in distressed urban neighborhoods" is commendable but contradictory.

Commendable in the fact that, yes, it is desirable to have that broad spectrum of individuals and organizations actively involved in the betterment of their community.

Contradictory in the fact that the individuals and organizations you described as needing encouragement are already involved as members of a board and/or volunteers of the Urban and Rural Community Action Agencies.

One of the goals of the urban neighborhood volunteer program is to increase the number of volunteers in efforts to reverse deterioration of and improve the quality of life in their neighborhoods. Yet in fiscal year 1978 community action agencies utilized the services of over 400,000 volunteers.

From the hundreds of us in community action involved with poverty programs at the local level, we have the following comments:

First, that community action agencies, whose role so closely parallels the prescribed role of the lead agency in the urban neighborhood volunteer programs, be named presumptive prime sponsors for these programs. Community action agencies have demonstrated their effectiveness in serving persons in distressed areas, in localizing and in coordinating volunteers, and in working with other public, private, and other voluntary organizations or Federal or State or local government agencies.

Quite frankly, CAA directors view the designation of a non-CAA as the lead agency as an unnecessary duplication of the mission, goals, and actual work experience of the existing 880 community action agencies.

We share the two concerns with duplication of programs and lack of coordination that oftentimes are accused of happening in human service programs, and we feel that the same kind of confusion would result if CAA's are not designated as presumptive prime sponsors when this section of the legislation becomes law.

Second, the seed money grants in section 302(b)(2) that are available to neighborhood nonprofit operations for the purpose of "promoting volunteer activities and for providing such materials as tools, training, and administrative support" should be a function of the lead agency and not the national headquarters.

Every CAA director knows what neighborhood nonprofit organizations function with maximum impact or have the potential of functioning with a large degree of impact. It would be very difficult for the national action agency to make the proper determinations.

Quite frankly, as we have seen in the past at ACTION and other agencies, grants released by the national office many times are not used as effectively as they should be.

Third, the helping hand program is an excellent initiative, and every lead agency will actively seek funding for this program.

I wish to make the following additional comments regarding the VISTA program in general. I urge that VISTA recruiting be done in such a way as to give people over 55 years of age a fairer chance at applying for a VISTA slot. As it is now, there appears to be an emphasis on the recruiting of younger people through, for example, college campuses.

This may, in fact, provide a kind of pool of VISTA candidates whose backgrounds and interests fit the image that someone at ACTION headquarters envisions for VISTA volunteers.

However, it would seem to me that if, for example, 20 percent of VISTA slots could be earmarked for older Americans, this could be a valuable approach in supporting community based volunteer efforts for seniors.

I would also urge that VISTA recruiting be conducted at the community and neighborhood level, perhaps in some instances using community action agencies as a recruitment vehicle, and that no national recruitment pool be established for VISTA's.

I would also urge, Mr. Chairman, that national VISTA grants either be limited to some percent, say 10 or 20 percent at a maximum, of total VISTA awards. Much of the VISTA recruitment and placement decisions on a policy level should be delegated to the field.

I would also urge, Mr. Chairman, that there be more regional coordination between ACTION as a total agency and the Community Services Administration. It seems to me that CSA and community action agencies planning and supporting, for example, the proposed urban volunteer program, could be most valuable and dollar efficient if the two agencies could work more closely together.

Finally, one last point on the OAVP's. I urge that there be some serious consideration given to increasing the stipends for the foster grandparents and senior companions.

I would not dare to return to my own community unless I made that point.

I find it difficult, if not impossible, Senator, as an administrator of an agency that has a widely diverse funding base, to get funding agencies to understand and to cooperate with the need for the programs, to pay a proportionate share of the overhead operating costs of the sponsoring agency.

I would, therefore, urge, Mr. Chairman, that some language in the authorizing legislation and some modest additional dollar level in the appropriations measure be added to allow for this reasonable business relationship.

Thank you for this opportunity to share my views, and I will be glad to answer any questions.

[The complete statement and additional material supplied by Mr. Desjarlais follow:]

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TESTIMONY

OF

LEO F. DESJARLAIS, EXECUTIVE DIRECTOR, COMMUNITY TEAMWORK, INC.

BEFORE

SENATE SUB COMMITTEE ON CHILD & HUMAN DEVELOPMENT

OF THE COMMITTEE ON HUMAN RESOURCES, U.S. SENATE

FEBRUARY 8, 1979

Mr. Chairman, members of the Committee, my name is Leo F. Desjarlais. I am Executive Director of the Greater Lowell, Massachusetts Community Action Agency, Community Teamwork, Inc., and President of the Massachusetts Community Action Agency Directors Association, Inc. I am here representing the National CAP Directors Association, as well as expressing the views of my own Massachusetts colleagues.

I wish to express my gratitude at having the opportunity to share with the committee concerns community action agency directors have with S.239 and some very positive experiences our agency has had in administering local projects funded by Action.

Senator, my agency, Community Teamwork, Inc., is one of the larger CAP agencies in New England, with approximately 5.5 million dollars per year in funding from 12 different federal, state and local funding sources representing approximately two dozen separate programs. Among the most important of these projects are three(3) funded by ACTION from their Older American Volunteer Program (OAVP). These are the Foster Grandparent Program, the Retired Senior Volunteer Program, and the Senior Companion Program. Therefore, in our community, we have close to 400 senior citizens working in a variety of situations and thereby contributing their talents and skills to others.

"Serving 20 Million People Daily"

RETIRED SENIOR VOLUNTEER PROGRAM

CTI's RSVP program will complete its sixth year in September, 1979. It has grown to more than 270 volunteers and provides these volunteers with a range of opportunities for service that are fitted to their individual needs and abilities. Several volunteers serve at the Lowell Museum as an integral part of the National Historic Park. They draw on their own experiences as workers in Lowell's mills to give visitors a sense of Lowell's unique role as America's first planned industrial city. Another volunteer, who is a former chief probation officer, serves as an administrative assistant in a local court. He helps to maintain records and brief judges on upcoming cases. Still other volunteers have been trained as nursing home ombudsmen by the State Department of Elder Affairs.

But, while our program responds to the needs to serve, of those elderly people who are able to participate in such sophisticated and demanding volunteer positions, we also provide volunteer opportunities for those whose ability to serve is limited by health or other reasons. Even nursing home residents are given the chance to serve as friendly visitors, and to assist with such activities as physical therapy, through arts and crafts and knitting. In short, CTI's RSVP program tries to meet the need to serve of all segments of the very diverse elderly community of Greater Lowell.

FOSTER GRANDPARENTS PROGRAM

CTI's FGP program has been a leader in its seven years. It began as a program limited to the institutes where the handicapped children live. Under the patient, individual attention of their Foster Grandparents, many of these children made great strides toward self-sufficiency that would have been impossible otherwise. The rewards of this loving service are so great that many grandparents visit their children on their own time when no stipends are provided. As state and federal laws have mandated the mainstreaming of handicapped children into regular schools, CTI's Foster Grandparents Program has followed the handicapped children into the classrooms.

The FGP's have become such a valuable addition to the local schools that school administrators vie jealously for their services. In fact, the value is such that some schools will provide their transportation and meal expense, a remarkable occurrence in this time of fiscal austerity.

SENIOR COMPANION PROGRAM

Our Senior Companion Program responds to the need to keep elderly people in their own homes by providing companionship, help, and vigorous advocacy. Senior Companions, in effect, become caseworkers for their clients. With the assistance of program staff, they deal with any and all of their clients' problems that might force them into the dependency of an institution.

Because many of Senior Companions want the support of their fellow volunteers in a social setting, they are assigned at least part-time to help elderly people in institutions. This procedure both responds to the needs of the institutionalized elderly and provides the Senior Companions with the mutual social interaction they need to continue their arduous, though rewarding, duties in private homes.

Because of my extensive involvement with the Action programs at the local level I have followed very closely the Action Reauthorization at the national level.

I would be less than candid if I professed no concerns with S.239.

My first concern, and I might add the concern of every CAA director whether urban or rural who is familiar with this bill, is with PARK D - the Urban Neighborhood Volunteer Programs.

It appears to community action agencies that the purpose of the Urban Neighborhood Volunteer Programs, i.e. "To strengthen and encourage the involvement of individuals, neighborhood groups, voluntary associations, labor organizations, local enterprises, local governments, and other local entities in community revitalization and person to person service activities in distressed urban neighborhoods" is commendable but contradictory.

Commendable in the fact that yes it is desirable to have that broad spectrum of individuals and organizations actively involved in the betterment of their community.

Contradictory in the fact that the individuals and organizations you described as needing encouragement are already involved as members of boards and/or volunteers of Urban and Rural Community Action Agencies.

One of the goals of the Urban Neighborhood Volunteer Program is to increase the number of volunteers in "efforts to reverse deterioration of, and improve the quality of life in their neighborhood" yet in Fiscal Year 1978 community action agencies utilized the services of over 400,000 volunteers.

To the hundred of us in community action involved with poverty programs at the local level we have the following comments:

1) That community action agencies, whose role so closely parallels the prescribed role of the "lead agency" in the Urban Neighborhood Volunteer Programs be named presumptive prime sponsors for these programs. Community Action Agencies have demonstrated their effectiveness in serving persons in distressed areas, in mobilizing and coordinating volunteers and in working with other public, private and voluntary organizations or Federal, State and Local government agencies.

   Quite frankly, CAA Directors view the designation of a non CAA as the lead agency as an unnecessary duplication of the mission, goals, and actual work experience of the existing 880 community action agencies.

A "lead agency" must have a strong commitment and background in addressing the problems of the poor in distressed areas. Only CAA's possess these qualifications.

CAA Directors feel the creation of another agency to coordinate human service activity would only add to the potential confusion and ultimately conflicts that arise in a local setting. CAA's pride themselves on being able to deliver a broad array of programs for the poor at an average administrative cost of less than eight percent.

Certainly the limited funds available in this program should be used to complement lean CAA resources in administering and coordinating programs for distressed areas to the maximum impact possible.

2) The "seed money grants" Sec.302 (b) (2) that are available to neighborhood non-profit organizations for the "purpose of promoting volunteer activities and for providing such materials as tools, training and administrative support should be a function of the "Lead Agency" and not the National Headquarters.

   Every CAA Director knows what neighborhood non-profit organizations function with maximum impact or have the potential of functioning with a large degree of impact. It would be very difficult for the National Action Agency to make the proper determinations. Quite frankly as we have seen in the past at Action and other agencies, grants released by the national office many times are not used as effectively as they should be.

3) The "Helping Hand" program is an excellent initiative and every "lead agency" will actively seek funding for this program.

We further support the projects designed to provide personal and financial counseling to low income individuals. However, we also suggest that activities designed to provide services to low income households - such as home weatherization, community gardens and transportation to social services be included as examples of human services activities under this title.

We strongly support the amendment offered by Senator Nelson to require the Director of Action to consult with the Directors of CSA in prescribing regulation and program ideas. Events in the next two to three years may culminate in a close affiliation of the Action and CSA agencies. This program offers an excellent opportunity to begin that cooperation.

I wish to make the following additional comments regarding the VISTA Program in general. I urge that VISTA recruiting be done in such a way as to give people over 55 years of age a fairer change at applying for VISTA slots. As it is now, there appears to be an emphasis on the recruiting of younger people through, for example, college campuses. This may, in fact, provide the kind of pool of VISTA candidates whose backgrounds and interests fit the image that someone at ACTION Headquarters envisions for VISTA volunteers. However, it would seem to me that if, for example, 20% of VISTA slots could be earmarked for older Americans, this could be a valuable approach in supporting community-based volunteer efforts for seniors. I would also urge that VISTA recruiting be conducted at the community and neighborhood level perhaps in some instances using community action agencies as a recruitment vehicle and that no national recruitment pool be established for VISTA's. I would also urge, Mr. Chairman, that national VISTA grants either be limited to some percent (say 10 or 20% at a maximum) of total VISTA awards. Much of the VISTA recruitment and placement decisions on a policy level should be delegated to the field. I would also urge, Mr. Chairman, that there be more regional coordination between ACTION as a total agency and the Community Services Administration. It seems to me that CSA and community action agencies planning and supporting, for example, the proposed Urban Volunteer Program, could be most valuable and dollar-efficient if the two agencies could work more closely together. Finally, one last point on the OAVP's. As the administrator of an agency with a diversified funding base, I sometime find it difficult to get funding agencies to understand and cooperate with the need for the programs to pay a proportionate share of the overhead operating costs of the sponsoring agency. I would, therefore, urge, Mr. Chairman, that some language in the authorizing legislation and some modest additional dollar level in the appropriations measure be added to allow for this reasonable business relationship.

Thanking you for this opportunity to share my views and I will be glad to answer any questions.

CHILD AND HUMAN DEVELOPMENT SUBCOMMITTEE

ACTION HEARING
2/8/79

SEN. CRANSTON'S QUESTION TO WITNESSES

Leo Desjarlais, Community Teamwork, Inc.

(1) Would you tell us how you see the Urban Proposal being carried out in the areas you represent?

If Community Teamwork, Inc. were to be designated as the lead agency for the city of Lowell under the Urban Neighbors Program, we would work through our community organization department to distribute both volunteers and seed money to our six affliate neighborhood councils in the low-income target areas of Lowell.

We would involve these councils very directly in the recruitment and screening of volunteers. Preference would be given to community residents who have demonstrated their committment to neighborhood improvement through informal volunteer service or service in the Commonwealth Service Crops, (a low-funded state volunteer program). If no neighborhood residents were available, other local volunteers would be sought, but they would be screened by the relevant neighborhood council before beginning their service.

We would also channel ACTION seed money to the neighborhood councils through our internal fiscal system although the uses would be determined bv the councils. This arrangement would parallel our present system of minimal financial support to these councils.

CHILD AND HUMAN DEVELOPMENT SUBCOMMITTEE

ACTION HEARING
2/8/79

SEN. RIEGLE'S QUESTIONS TO WITNESSES

Leo F. Desjarlais, Community Teamwork, Inc.

(1) Do you have any programs through Community Teamwork, Inc. which serve children, i.e., care of children during family emergencies, after school day care or any type of day care assistance?

(2) If not, what plans do you have in this area for the future?

1. Community Teamwork, Inc. has the following child care programs with the indicated number of children at one time in each program:

Head Start	245
Day Care	40
Family Day Care	150
Emergency Care	20
Child in Need of Services	5

2. We plan further expansion in this area to the maximum extent possible within available resources. There is still a great unmet need in our service area for child care services, particularly for abused and neglected children.

STATEMENT OF LEO F. DESJARLAIS
PRESIDENT, MASSACHUSETTS CAP DIRECTORS ASSOCIATION
ON S374 and S239

Both of these bills are improvements over past bills in their references to community action agencies, but there are still some problems with the urban provisions of both bills that should be corrected before a final combined bill is reported out:

S374 - Section 302(b)(1)

The listing of activities under subparagraph (A) seems incomplete; it lacks any reference to the development of neighborhood groups which S239 contains. The designation of a lead agency "with the concurrence of the Mayor or other chief elected official" opens up a Pandora's box. In some cities, a prospective lead agency's independence from City Hall might be a prime credential for designation. "With the concurrence of" should be changed to "after consultation with" , which is used later on in the bill.

The term "chief elected official" is also troublesome in Council/Manager cities. It is unclear who it would refer to, the appointed manager, the mayor elected from the councillors, or the full policy-setting council. S239 uses the term "chief elected authority". Since it could mean a Council as a whole, it is preferable.

- Section 302(b)(2)

The term "non-profit organizations" as the recipients of "Good Neighbor" grants implies incorporation and is therefore unrealistic. Most neighborhood organizations in need of such grants would not be incorporated. The fiscal control and stability needed for the administration of the fund should be provided by the lead agency for non-incorporated groups. The sentence should read "to neighborhood organizations in cities and urban areas (either directly to neighborhood organizations that are non-profit corporations or through lead agencies)".

- **Section 303**

This section all but gives preference to community action agencies. It should go the next step and state the preference as S239 does. (The word "with" should be inserted in line 16 of page 7 between "working" and "other".)

S239

As noted above, this bill has several better provisions than S374, particularly the use of the term "chief elected authority", the expanded list of Urban Neighborhood duties and strong explicit preference for CAAs as lead agencies. It shares the defects of the other bill in requiring "concurrence of" rather than "consultation with" local officials and in giving seed money to "non-profit organizations".

It has other problems of its own, however. The 15% limitation on administration should be re-drawn to limit ACTION administrative costs and allow flexibility to lead agencies. An overall restriction can hamstring effective program administration at the local level and harm intended beneficiaries.

The description of teams in Section 133(a)(1) seems to impose an organizational structure that may not be appropriate in all instances. The requirement for a full-time volunteer for a year or more could be particularly onerous.

The establishment of national priorities in this bill (and S374) is acceptable, but it should be clear that such priorities will not override locally determined priorities for neighborhood improvement.

Summary

S239 is the better bill, but it should be amended to remove problems with local officials' concurrence and restriction of grants to non-profit organizations and to allow maximum flexibility to local lead agencies.

Question 5. Comment on the testimony of Leo Desjarlais. We will try to respond point-by-point to the major elements of Mr. Desjarlais' testimony.

A. That Community ACTION Agencies . . . be named presumptive prime sponsors for these programs.

Answer. See answer to Senator Nelson's question No. 11.

B. The seed money grants in section 302(b)(2) that are available to neighborhood nonprofit operations . . . should be a function of the lead agency and not of the national headquarters.

Answer. Mr. Desjarlais mistakes the separate purposes of the Technical and Management Assistance Component and the Good Neighbor Fund. The first is to match volunteer skills from outside distressed neighborhoods with needs of distressed neighborhoods. The second is to provide a one-time infusion of funds into a neighborhood effort which has been stalled for lack of a small amount for capital resources. The TMA program seeks to provide permanent volunteer support to neighborhood groups. The GNF presumes that once the group has acquired the tools to perform a specific function, it will not need further financial assistance. It is possible—even likely—that the same organizations will need both types of assistance. However, Mr. Desjarlais suggestion implies an allocation based on formula, of very limited GNF funds, to lead agencies. He also does not deal with the concept of the Urban Volunteer Program that funds will go to distressed urban areas, rather than exclusively to low-income areas.

C. It would seem to me that . . . 20 percent of VISTA slots could be earmarked for older Americans; this could be a valuable approach in supporting community-based volunteer efforts for seniors.

Answer. Earmarking of slots for a specific age segment is contrary to law. VISTA is very conscious of its special obligation to older Americans contained in section 107 of the Domestic Volunteer Service Act of 1973. At present 14% of VISTA volunteers are over the age of 55. In addition there is an increasing emphasis in VISTA on programs which serve the elderly and in coordination between VISTA and ACTION's Older American volunteer programs.

D. I would also urge . . . that national VISTA grants either be limited to some percent, say 10 or 20 percent at a maximum, of total VISTA awards. Much of the VISTA recruitment and placement decisions on a policy level should be delegated to the field.

Answer. VISTA grants—national or otherwise are now limited to 20 percent of VISTA funds. National grants in fiscal year 1978 only comprised 14 percent of the VISTA program. In fiscal year 1979 they will comprise about the same percentage. Other VISTA placement decisions are now being made in our state and regional offices—over 73 percent of VISTA volunteers are locally recruited.

E. I would urge more regional coordination between ACTION and the Community Services Administration.

Answer. During the last year, there has been a significant increase in coordination between ACTION and CSA. We recognize the value of close cooperation and look forward to an even closer relationship.

F. I urge that there be serious consideration given to increasing the stipends for Foster Grandparents and Senior Companions.

Answer. We have proposed, in our budget, an increase from $1.60 an hour to $1.80 an hour for the stipends of volunteers in these programs.

Senator **Cranston**. Thank you very much.

The administration bill does contain some provisions relating to community action agencies. We will send you a copy, and will be glad to have your comments.

We will also be interested in the comments of the administration on the proposals that you and other witnesses have made about legislative aspects of what we are considering.

We will seek their comments on your recommendations.

Thank you very much.

[The following was received for the record:]

Ms. **Fisher**. My name is Sally Martino Fisher. I am the president of the National Association of Neighborhoods.

Before I start, I would just like to say that I feel fortunate that I got out of New York and came into a parade of tractors. But I am very honored to be here.

The NAN is made up of 130 neighborhood organizations and citywide neighborhood coalitions from all over the country as well as individuals who have an interest in the neighborhood movement.

Our goals are: To make neighborhood organizations more effective at the local level, to give neighborhoods a voice in national policymaking, and to educate people about the neighborhood movement. We want to increase the political power of individual neighborhoods so that they can influence city, State, and national policies that affect them. We also want to help neighborhoods develop and run their own programs through funding to neighborhood organizations and through increased emphasis on neighborhoods as legitimate political units.

Our member organizations are based on the principle of citizen volunteerism, therefore we have a great stake in supporting Federal policy that will maximize the effectiveness of volunteer efforts.

At a personal level, I live in the Williamsburg section of Brooklyn, N.Y. I have been active in the neighborhood movement at both the local and national levels for many years. I belong to ethnic, civic, and church organizations in Brooklyn. In addition, I work at the National Congress of Neighborhood Women, the Congress was founded in 1973 and is a national voice for women who want to strengthen the binds of family and community. Our members are from all sections of the country and represent all ethnic groups. We believe in working in coalitions to get things done. We further believe that volunteerism and citizen participation are fundamental to a working democracy.

Speaking from my own experience in the neighborhood movement in New York as well as in my capacity as president of the National Association of Neighborhoods, I can state that the neighborhood movement strongly supports the urban neighborhood volunteer programs that are proposed in S. 239 now before this committee. I know of many instances where people were aided greatly by the voluntary efforts of neighborhood organizations. There was a case of a man who had cancer and who was unable to get his benefits because of Government redtape. A woman in the Winthrop Civic Association worked to get his story publicized and on TV, and the benefits came through.

An elderly man fell on a fuel line and injured himself. Through the Swinging Sixties Senior Center, a lawyer volunteered his services and got the oil company to pay all of his medical bills.

People such as these are volunteering their services to help others all of the time. But so many more people who are willing to help others cannot because they are not matched up with the people in need.

This legislation would provide the resources necessary to free the infinitely greater resources of the millions of people in this country who are willing to give themselves to help others. It would especially help those neighborhoods that are less sophisticated than my own, that are leaving this vast pool of potential volunteers completely untapped.

Although we have reservations about some of the provisions presently in the legislation, we believe strongly that the idea behind the program is an excellent one and that its enactment will encourage people to be more responsible toward one another in their neighborhoods and in their cities.

We also see this program as a cornerstone of the President's recognition of neighborhood organizations and voluntary groups in the new urban partnership. I hope Congress will concur with the President that neighborhood and voluntary groups are essential to the revitalization of our cities and pass this bill.

I want to add that the NAN and the alliance for volunteerism has been working with the Office of Voluntary Citizen Participation in the ACTION Agency to build new urban partnerships between neighborhood organizations, voluntary groups, the private sector and city, State and Federal Government in Jacksonville, Columbus, Ohio, Oakland, Calif., and Pittsburgh, Pa. I will add to the record a June editorial in praise of this project from the Jacksonville Times-Journal.

The most important principle behind this bill is that it will encourage people to help themselves and their neighbors. It is not like Government programs that bring in paid experts from the outside to tell neighborhood people what is good for them. We believe strongly that every neighborhood is different from every other one. People themselves know what their neighborhoods need, and they know the kinds of experts they need. This program will help provide volunteers with this expertise from each city that can help neighborhoods in their cities. It gives people the resources to do what is needed to begin to make their neighborhoods better places in which to live.

This program will increase human dignity, as well as the physical well-being of both the people that are assisted and the urban volunteers themselves. Volunteers who have never had the chance before, will be able to demonstrate their ability to make a difference—to others and, just as important, to themselves. In addition, volunteers will also learn useful skills from their experiences. These skills will help them in gaining meaningful employment after their volunteer service ends. The spiritual improvement in people's lives from their increased self-worth that will result from this program is perhaps as important as the physical improvements that will result in distressed neighborhoods.

Another very important feature of this program is the great benefits that will result from a very low cost. The value of the work the volunteers do, and the ongoing value of the improvement in people's lives resulting from the help of urban volunteers, will be many times greater than the total cost of the program. The urban neighborhood volunteer program is a commitment from the Federal Government to those who need help the most—the poor; however, it is not a giveaway program; instead, its whole idea is to increase opportunities for those who wish to help serve or organize distressed communities.

In reference to the provisions in the bill dealing with the lead agency, we feel that because this is a program of assistance to neighborhoods, the lead agency should be a recognized citywide neighborhood coalition. I am thinking of groups like the Philadelphia Council of Neighborhood Organizations, with 132 member neighborhood organizations, the Pittsburgh Neighborhood Alliance, with 73 members, and the Atlanta Citywide League of Neighborhoods which represents all of the neighborhoods in the city.

These coalitions are comprehensive in membership and scope and include representatives from all types of neighborhoods, including the poor and minority neighborhoods. The member organizations pay dues, hold office, and freely utilize all kinds of resources through the structure of their coalition.

They would be suitable lead agencies for this program, and there will be no danger that volunteer services would get locked into structures and organizations that the neighborhood organizations will not be able to work effectively with.

We are also concerned with the measure giving the mayor of a city concurrence approval over the choice of the lead agency. The danger here is that a mayor may arbitrarily oppose an effective neighborhood oriented lead agency for political reasons. This provision should at a minimum be changed so that a mayor can reject a lead agency only if he or she can provide adequate justification for doing so.

The helping hand program and the financial counseling program are both very good. Helping hand will work to bring neighbors closer together, especially those who are most isolated by age or handicap. Encouraging one-to-one volunteer service as well as halfway houses and senior centers will help aged and handicapped people stay in their communities and thus add to neighborhood diversity.

I want to make the following point however, it has always been the position of neighborhood organizations that these organizations be given more responsibility for and control over such halfway houses, in order to insure a high level of care and safety for both the clients and the community.

Financial counseling services to individuals can be used by neighborhood organizations to aid those people who badly need this assistance, and through this aid bring some economic stability to their lives. We therefore recommend that these programs be enacted.

The development of a resource bank of skilled volunteers in each city is also an important feature of the bill. The National Association of Neighborhoods pioneered the idea of such a resource bank for neighborhood organizations on a national scale in 1975. With basic administrative costs and expenses paid, networks such as these could be very successful.

One of the goals of this program as set forth in this bill is to encourage the development of new neighborhood groups in distressed areas. The importance of this cannot be stressed enough. When people are organized they are many times more effective in solving their own problems. As I said earlier, people working together to solve their own problems on a local level will be much more effective than outsiders alone ever can be. This proposed legislation should go far to encourage this self-help in areas that need it the most.

We neighborhood people appreciate greatly the aid that the volunteer movement has received from the ACTION Agency. It distresses me greatly to hear the work of the Agency and its leadership attacked by some people in Washington, both in the Congress and in the press.

I know the success that this Agency's programs have had, and I know of the great support it has in neighborhoods across the country.

In New York, we had VISTA volunteers who organized parents and neighborhood groups to fight for a better education for their children when the school administration was decentralized. VISTA volunteer lawyers did such things as represent parents and students in school hearings and represent poor people in housing cases.

I also want to add that we in the National Association of Neighborhoods are proud of the fine help our national VISTA grant is bringing to our poor and moderate income, and minority member organizations.

The greatest strength of this country is its people working together for the good of all. ACTION's programs give people the opportunity to work, not for their own gain, but for the good of the community. These programs that encourage voluntary effort should be continued and enlarged.

Senator **Cranston**. Thank you very much.

I would like to ask, Mr. Fisler, and I will submit more questions to you, how did the Action Agency initially become involved with your program?

Mr. **Fisler**. Originally, ACTION and the United Way of America jointly worked together on a proposal for this type of proposal.

The Cincinnati Community Chest, which is a member of the United Way of America, did not in fact originate the proposal, but in fact, responded to the interest at the national level, and became involved in that fashion.

I must say, though, I am the first director of the program. I was not the founder. It is my understanding that this was done out of a contingency fund for new proposals within the agency.

Senator **Cranston**. Do you think the Cincinnati Community Chest would or could have launched the program without the support of the ACTION Agency?

Mr. **Fisler**. There was definitely the interest there. I think that it would have been possible.

But I hasten to add on that that there have been a great many other projects in the Cincinnati area that seem worthy and demand the same kind of money and are competing for the same dollars. I doubt we would have begun without ACTION's help.

I am somewhat pessimistic about chances of programs ever starting without some assistance. I might add that there is great interest in this concept. We have been getting a great many United Way and non-United Way requests nationally in response to some press information recently that has been distributed nationally on how to start this type of program, so that I have had to establish a standard information packet because it has been too much to respond to individually.

[Senator Cranston's additional questions to Mr. Fisler follow:]

Community Chest and Council
of the Cincinnati Area

Community Resource Division

2400 Reading Road
Cincinnati, Ohio 45202
513/621-5000

March 19, 1979

The Honorable Alan Cranston, Chairman
Subcommittee on Child and Human Development
Committee on Human Resources
4230 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Cranston:

Thank you for the opportunity to compare the urban provisions of S.239 with those of S.374. There are two points I would like to discuss by way of expanding my comments at your hearings held on February 8, 1979.

First, I noticed that S.239 requires the formation of teams within the designated lead agency, each team requiring the participation of at least one full-time volunteer for the term of at least one year, and one professional employee. S.374 does not appear to contain the same stipulation. While a number of urban volunteer projects authorized under both Bills could quite effectively utilize full-time volunteers over an extended term, and could attract such volunteers as well, I am concerned that certain activities do not lend themselves well to the discharge of this requirement.

Specifically, the program I direct, the Management Assistance Program, must by its nature utilize volunteers from the professional occupations who are current in their knowledge of their particular trade. Since the only realistic way of involving such volunteers is on a part-time basis due to the fact that all these volunteers are currently employed practitioners of their profession, it would be virtually impossible for us to obtain the services of such a full-time volunteer.

By design, the program utilizes a great many professionals as part-time volunteers. To stipulate that one or more of these persons must devote at least a year of full-time service as a volunteer would compromise the principals upon which the Management Assistance Program is built. Indeed, any person who is willing to serve in this full-time volunteer capacity would be highly unlikely to possess the necessary background, knowledge, or skills to perform effectively his duties either as a direct service provider or as a program organizer. Therefore, I feel it necessary to suggest that the inclusion of this provision in S.239 creates a rather immediate obstacle to the viability of any management assistance program supported under provisions of this particular Bill. As I see it, no such hazard is contained in S.374.

Second, there is the concept of "lead agency" which differs between the two Bills. It is my feeling that S.374 provides a somewhat greater degree of flexibility when contrasted with S.239. In my conversations with a number of leaders of the social service community of Greater Cincinnati, they have been almost universal in their objection to the designation of Community Action agencies as lead agencies for the purposes of this Legislation. While they suggest that there are undoubtedly communities with viable Community Action agencies, it should not be taken for granted that they are generally likely to be effective and efficient service providers of programs authorized by this Bill. These community leaders have been sharply critical of the likelihood that any of the intents expressed in this proposed legislation would be served within the Cincinnati community if such a provision is mandated and enforced. I am told that too many other examples exist of programs administered by Community Action agencies in which the ultimate objective is never achieved in any worthwhile fashion, while literally thousands of dollars are expended.

I personally feel very confident that the objectives of this Legislation and the interests of American taxpayers would be far better served should that requirement not be enacted. Potential lead agencies should be made to account individually for their own capabilities, and the most effective and the most efficient should be designated, not on the basis of their funding and affiliations, but rather on the basis of their competency. Therefore, I believe on this matter S.374 is more realistic, at least as it relates to our local experiences.

My direct responses to the individual questions you and Senator Riegle have posed accompany this letter. Again, let me thank you for your obviously sincere and competent concern in serving the best interests of the American Public, and for providing me with this opportunity to be of some small service to you.

Sincerely yours,

John C. Fisler

John C. Fisler, Director
Management Assistance Program

JCF/OO-21

RESPONSE OF JOHN C. FISLER, MANAGEMENT ASSISTANCE PROGRAM, CINCINNATI TO SENATOR CRANSTON'S QUESTIONS TO WITNESSES.

ACTION HEARING, FEBRUARY 8, 1979

1. Would you tell us how you see the urban proposal being carried out in the areas you represent?

   I feel the urban proposal would best serve the American public if it would require all potential grantees to demonstrate their capability and efficiency in providing the services designated, before any one or more of them are sponsored by this legislation through ACTION. This may abridge the actual concept of a "lead agency," but should provide the best value received for dollar expended. In effect, interested groups would be given the opportunity of "competitive bidding" through their application for such grants. However, I hasten to suggest that the successful bid should depend upon capability of the applying organization, the suitability of its proposal, and the efficiency of the applicant, all combined, and not just the size of its proposed budget.

2. How did the ACTION agency initially become involved with your program?

   As I understand the sequence of events, the United Way of America made an oral proposal to ACTION which met with an indication of interest. From that point onwards, ACTION and the United Way of America jointly developed the program concept as a pilot project designed to measure the suitability of the Management Assistance concept in American cities. The Cincinnati Community Chest made a commitment through the United Way of America and ACTION that it would serve as the agent in developing this concept and would provide future local funding if it proved successful. In general, the program's origins were based on an almost simultaneous recognition by several organizations that the need for such a service existed.

3. What level of funding has the ACTION agency provided your program?

   ACTION provided approximately $30,000 in 1977 to underwrite the entire start-up expenses of the Management Assistance Program. It has continued to provide $15,000 per year in 1978 and 1979, matched by the Cincinnati Community Chest. For 1980 our understanding is that ACTION support will cease, and the Cincinnati Community Chest has at this time committed itself to providing or securing other sources of funding to continue the program.

4. Do you think the Cincinnati Community Chest would or could have launched the "MAP" Program without the support of the ACTION agency?

   In only a very limited way would such a service have been started by the Cincinnati Community Chest. I am certain that at best it would have been manifested as a disorganized series of management support services to members of the Communtiy Chest only. Because of ACTION funding, the concept has proven itself a valuable contributor to the welfare of the entire Cincinnati area, and as such justifies a serious commitment by the local community to preserve that service. Without that justification, such a commitment locally would have been most unlikely. And without ACTION funding, such justification could never have been developed. Therefore, I must conclude that ACTION support was the critical path in bringing the service to Cincinnati community groups.

5. You discussed the development of other management support organizations (M.S.O.'s) throughout the country.

   a. Can you tell us more about the growth of MSO's - how many there are and what their financial base is?

   b. Since this movement is now underway, why is the federal involvement proposed by the ACTION agency necessary?

   Frankly, there is presently no way of knowing how many MSO's exist in this country, nor can I say with any certainity how they are funded. Perhaps a meeting I shall be attending in Dallas, March 22-24, will provide some of these answers. However, those MSO's of which I am aware, and there are a number in many different cities, are generally non-profit corporations. Their funding is derived largely from their clientele. The fees they charge are naturally lower than those of profit-oriented consulting services. However, fees can be substantial for significant projects.

   Many organizations simply do not have the money, under any conditions, to pay any kind of a consultant, whether profit or non-profit. And those who can somehow scrape together the funds necessary to pay for needed services must obviously divert those funds from direct services to the community it represents. Therefore, I consider it critical that we undertake to develop resources enabling us to provide expert management advice to community organizations at the lowest opportunity cost possible. That is why it is more desirable to develop free services, such as Cincinnati's Management Assistance Program represents, than it is to provide direct grants to community groups and agencies for hired management consultation. Frankly, I believe the former course of action provides a greater level of service per dollar expenditure than would be possible through the latter alternative.

   I must also submit that there are a great many demands within all communities for limited charitable and public dollars. Communities will generally begin those programs whose risk is minimized due to outside funding. MSO's are by nature relatively expensive to begin, and do not begin to reach their potential until they have been in operation for several years, at which point their benefits should generally far exceed their expenses. I think it generally can be considered a case of "risk management." Since there is always some element of uncertainty in all new undertakings, those projects will be undertaken in which the potential loss and the potential opportunity cost to the sponsoring organization will be minimized, therefore deriving the most benefit from the limited dollars this sponsoring organization has at its disposal.

   If one accepts the premise that this type of service is valuable in the long run, as we are convinced it is, then the development of such services can be best encouraged by providing seed funding to potential sponsors. That is precisely what has happened in our involvement with ACTION. The benefit has been proven, and the Cincinnati Community Chest is willing to continue the Management Assistance Program due to its clear value. ACTION funding was the basis for that commitment.

6. Could your program make effective use of full-time volunteers such as VISTA volunteers, as is proposed in my Bill, S.239?

Conceptionally, this could be the solution to the delimma of a full-time volunteer being a necessary part of each team defined in your Bill. In principle, it is an excellent potential use of such persons. In practice, however, I must wonder whether the professional skills of such volunteers are likely to meet the unique requirements a management support organization must place on its personnel. I think it is unlikely that such an individual would be available on a full-time basis due to the many opportunities he/she could quality for as a paid professional employee of other organizations and businesses.

JCF/OO-23
3/14/79

RESPONSES OF JOHN C. FISLER, MANAGEMENT ASSISTANCE PROGRAM, CINCINNATI TO SENATOR RIEGLE'S QUESTIONS TO WITNESSES.

ACTION HEARING OF FEBRUARY 8, 1979

1. What criteria are applied in selecting agencies to participate in MAP?

   Agencies and groups are requested to fill out a brief one-page application stating their interest in and need for management assistance. Each agency director and his board chairperson then meets with a screening committee, which consists of former management assistance volunteers and current agency directors familiar with the program. At this meeting an assessment is made of the agency or group's needs and of MAP's ability to adequately be of service in meeting those needs. The intended service to be delivered is conceived to be a solution to the agency's immediate difficulty, and an enhancement of the skills of the agency's management staff in properly utilizing the solution and dealing with similar problems which may arise in the future. Under such conditions, applications will be approved.

2. How are agencies made aware of MAP?

   Agencies are no longer "asked" to participate. MAP now operates under the philosophy that all requests should be made directly by the agency and motivated by a sincere interest in assistance. Therefore, any semblance of pressure on an agency or group to participate is studiously avoided.

   The program is publicized in three major ways: publication of a quarterly newsletter to all non-profit human service groups and agencies in Cincinnati and Northern Kentucky, presentation of the program at meetings of agency consortiums, and by word of mouth. Presently, the quarterly newsletter has proven the best mode of dissemination of information on the program to potentially interested agencies and groups. However, evidence suggests that in the long run word of mouth will dominate in its effectiveness. Therefore, if I may add, the program takes great pains to insure the satisfaction of agencies, and of volunteers for that matter, with the process and services of the program.

3. In doing your evaluations of effectiveness, what measures will be used to determine effectiveness?

   This is perhaps one of the thorniest questions we presently face. One measure is, of course, cost effectiveness. Presently, we are accumulating a record of the number of hours each volunteer spends on each consultation. These hours, when multiplied by the current average charge of most of our participating companies for consultation services, determines the market value of the volunteer services that are offered to agencies and groups through MAP. This market value can then be compared to the cost of administering the program. The free market value of siminars and workshops provided by the program may also be added to this comparison. On this analysis, we expect 1979 to take us past the breakeven point by a substantial margin providing we meet or exceed our reasonable goals.

Determining effectiveness can be done in another way, however. It can be construed to mean the quality of the service provided, a much more difficult measurement to make. At this point, our experience when added to that of the few other examples of MSO's with which we have contact as yielded two questionnaires, one for volunteer consultants and one for agencies. These questionnaires are filled out and turned in to us at the completion of each assignment, and ask questions dealing with both the process and the product of each consultation. In all honesty, our current bottom line measure of quality is whether previous volunteers continue in the program and recommend participation to their colleagues, and whether agencies do likewise.

We also directly ask both agency and volunteer their immediate assessment of the value of the project just completed. Happily, in virtually all circumstances the perceived value has been very high, and we are finding a definite continued involvement and a promotion of participation among colleagues by both volunteers and agencies.

JCF/OO-22
3/16/79

Senator **Cranston**. Thank you very much.

Next we will have our third panel of Mr. Woods and Mr. Lang who will focus on the ACTION Agency's service-learning programs. You both have lengthy statements which will be included in full in the hearing record.

STATEMENT OF HAROLD WOODS, DIRECTOR, CENTER FOR SERVICE LEARNING, UNIVERSITY OF VERMONT, BURLINGTON, VT.; AND HARRY LANG, ASSISTANT EXECUTIVE DIRECTOR, HILLSIDE CHILDREN'S CENTER, ROCHESTER, N.Y., A PANEL

Mr. **Woods**. My name is Harold Woods, and I am director of the Center for Service Learning from the University of Vermont.

It is a privilege to appear before you this morning. It is a privilege to have an opportunity to share my perspectives on service-learning and it's a privilege to represent the service-learning community in Vermont and in many other communities of this country.

It is clear that service-learning is one of the major innovative achievements of the ACTION agency in the last 10 years. However, I think the perceptions within ACTION, as well as Congress, must be raised as to the performance impact and potential of service-learning.

Just yesterday the Committee for the Study of National Service issued a comprehensive report, "Youth and the Needs of the Nation," detailing the process of a debate that has been going on since William James first proposed the idea of national service in his essay "The Moral Equivalent of War" in 1910.

The report calls for a restoration of the spirit of service among American citizens and involvement of the full participation of young people in the work of this society.

As Sam Brown noted earlier, the distinguished committee is cochaired by Jacqueline Wexler and Harris Wofford and includes such distinguished individuals as Dr. Theordore Hesburgh of Notre Dame and Willard Wirtz, Chairman of the National Manpower Institute, among others.

The study urges a national service to involve a million or more young people in a year long service to society. I can't help but note that UYA already exists as an effective model and could almost overnight become the national program envisioned in the study. I applaud Sam Brown's interest in national service and encourage his active pursuit of this idea.

Among the material distributed by the study committee was a letter from Senator Nunn of Georgia to Doctors Wexler and Wofford. In this letter Senator Nunn says, and I quote:

> I believe that a national service proposal would have to be phased in over a long period of years to give the bureaucracy time to become knowledgeable and capable of administering such a program. It would be very disillusioning to both the taxpayers and the young participants if there were not meaningful and productive tasks for the youth volunteers to perform on behalf of the Nation.

Senator Cranston, I believe the basic law is already on the books to support the development of a National Service program that would, as the report calls for, "restore the spirit of service among American citizens." I believe part B, Service-Learning, of the Volunteer Service Act should be used to build such a national effort. The renewal of spirit is going to come from the learning and human development component that is linked to service.

I also know that the expertise, of which Senator Nunn speaks, has been developing within ACTION over the past 10 years. The problems of identifying meaningful and productive tasks and of supporting students in being productive contributors to social efforts have been faced and a methodology developed in many educational and community institutions via the work of the national student volunteer program. I believe my written testimony demonstrates the depth of that expertise as applied in one situation in Vermont. I also believe if you read the letters from student, faculty, agency staff, alumni and educators, you will sense the depth of spirit that the Wexler Study Committee aspires to revive.

In the last 10 days I have conferred with people in California, Utah, Oregon, Washington, Minnesota, Texas, Illinois, Michigan, Alabama, Massachusetts, Kentucky and New York. Without exception, people were enthusiastic in support of NSVP, a reorganized UYA and most of all, service-learning, as the overriding issue. Senator we all want to strengthen the national resources and support that have been available for service-learning.

But we are caught on the horns of a dilemma between ACTION and Congress on UYA and NSVP. I believe my recommendations will resolve the dilemma, provide new energy and life to the service-learning concept, provide an opportunity to rebuild UYA with an emphasis on quality rather than quantity, truly meshing educational, service and poverty community objectives, all with a multiplying effect issuing in a model national service-learning program along the lines the study urges.

There is no doubt in my mind that NSVP staff has the capacity to assume responsibility for UYA and development of expanded resources to support a rapidly growing national service-learning constituency.

I believe NSVP staff would develop a flexible, effective model for UYA with an emphasis on community and educational impact and would manage it to deepen the involvement and resourcefulness of citizens in getting the job done in communities across this Nation. I think the fundamental problem is one of leadership and imagination. I think that problem can be solved by an inversion making NSVP, which has been invisible under section 114, special service-learning programs, with discretionary status, specifically mandated, as the national service-learning program under a new section 110, which would authorize their management of ACTION service-learning programs and conduct of the activities I have proposed in my written testimony.

In Vermont over the past 10 years we have received our sustenance from NSVP. I think the letters in my testimony bear out the spirit of service and commitment that can be generated. Other educational institutions are equally receptive. But, it is a larger more comprehensive concept of service-learning that inspires commitment. UYA is just one type of service-learning program.

The inversion I suggest will put UYA in perspective proportionate to its role within the whole service-learning effort. Increased visibility and support within ACTION, an increased budget and staff to carry out added responsibilities to a rapidly expanding service-learning constituency (a constituency more developed, productive and demanding of support than in the past), are just fundamental immediate requirements.

The field has grown dramatically in the last 10 years. NSVP staff strength has remained constant. There must be an increased effort on ACTION's part to take full advantage of developments in the field. We must build on what has already been created with millions of dollars and person hours. It's not just Federal dollars, but a combination of Federal and community dollars in this unique partnership. We simply must make that investment pay off. ACTION has shown us the way. We must continue to walk that path with renewed commitment, a heightened vision and expanded resources.

The changes I have suggested would put UYA in the context of a larger, more focused national effort to promote and establish institutional commitment at the local level to service-learning. With this institutional focus and the national service-learning program leadership and technical assistance, I believe service-learning would literally take off and would be a very, very effective ACTION antipoverty program with long-range impact.

I also believe the costs of such a program would be modest, more so than any other national service proposal, simply because of the linkage with local community resources and the tie in with broader institutional and educational purposes. These institutions would carry a part of the cost as a fulfillment of their own mission.

It's clear to me that because of ACTION's distinct proverty and service focus, its national visibility with Peace Corps, VISTA, RSVP and other programs, its unique ability to call forth the best spirit of involvement and action, that ACTION should seize the moment and assume leadership in developing this national service-learning idea in a major way. The basic law is on the books. There is a growing national constituency and interest. The NSVP staff has the expertise and support of people in the field to carry it out.

The national service-learning program could easily in 10 years time, involve a million young persons in a full year of community service connected with their own growth and development needs. Indeed, when you include the whole network of students and alumni of such a program working part time both before and after their year of involvement in the national service-learing program, similar to the model I have demonstrated to you today, we are potentially talking about several millions of direct program participants with an almost unimaginable potential for evoking the practice of the fourth R, responsibility, in the social, political, cultural, and economic community life of this country.

Senator, I would like to quote from the final paragraphs of my written testimony:

"In this field, as in any field where the ideas are young and the people vibrant, there are differences of emphasis. Some of us are community based and naturally stress the service dimensions. Others of us are based in educational institutions and take the learning dimension very seriously. That there is not yet consistency of approach should not in any way be taken as other than a reflection of the potency of service-learning. There is room for models of service-learning as varied as Vermont and the National Conference of Black Mayors, ALCOR in Kentucky and the University of California at Irvine. The important thing is to keep service-learning alive and UYA with it and to bring us together to learn from one another.

"Again, the imagination and vision has come from the national student volunteer program. Exactly one month from today, March 8, 1979, here in Washington, the first national forum on service-learning will be held. NSVP has given the professionals in this field a gift of time and space. They have created a context within which the scholars and practitioners of service-learning can come together to explore the multidimensional philosophy and methodology of service-learning. NSVP knows that the program will be effective because they have the trust and confidence of the people in the field.

"NSVP's ability to consistently build this trust and confidence by working with people in the field stands them in good stead for higher levels of responsibility. Because they have this confidence, and because they have performed competently for 10 years, and because we in the field have built deep commitments in our institutions and communities and need their form of effective leadership as service-learning moves into its second decade of development, I want to recommend the following:

"1. That NSVP staff be mandated with responsibility for all service-learning programing with ACTION, most especially including University Year for ACTION.

"2. That NSVP become the national service-learning program within ACTION, mandated to continue, at a much higher level of visibility, magnitude, and funding, the technical assistance and resource functions developed by NSVP.

"3. That the staff of the new national service-learning program be charged with developing new service-learning program models to involve young people from sectors of the population not previously included in service-learning activity.

"4. That the staff of the national service-learning program be charged with responsibility for hiring and training a staff of service-learning specialists to work in each of the 10 ACTION regions to develop service-learning capabilities in those regions.

"5. That the staff of the national service-learning program be charged with responsibility for assisting and funding a service-learning program and resource center in each State."

Senator Cranston and members of the subcommittee, this small Federal investment in service learning will have a big payoff. Service learning encourages local involvement, participation, and financial investment in partnership with the Federal Government. Service learning involves young people, of all ages, in the tasks that need to be done in this society. Service learning encourages individual initiative and evokes and supports, with information, strategy, training, and resourcefulness, local citizen efforts to address problems. Service learning can build a deeper spirit of community, a deeper sense of purpose for individuals, and forge closer ties between social and educational programs. I urge your consideration and adoption of these recommendations.

Thank you.

Senator CRANSTON. Because of our time constraint, I must ask you to complete your statement.

Mr. WOODS. That is the end.

[Appendix and supplemental material received from Mr. Wood may be found in the files of the subcommittee; Mr. Wood prepared statement and additional material supplied follows:]

Testimony

of

Harold D. Woods
Director, Center for Service-Learning
University of Vermont

before the

Subcommittee on Child and Human Development
of the
Committee on Human Resources
of the
United States Senate

on

February 8, 1979

Senator Cranston and Members of the Committee:

I wish to address my comments regarding Part B, Service-Learning Programs to two major concerns:

First: The University Year for ACTION Program

I want to express my dismay for its status within ACTION and to make recommendations for legislative changes which I believe will strengthen it.

Second: The National Student Volunteer Program

NSVP is the heart, mind and soul of service-learning. NSVP has the confidence and support of the broad base of the service-learning community. NSVP has the capacity to use this base of leadership and support to assume new responsibility for all ACTION service-learning programming. I will recommend legislative changes to mandate this.

A summary of the changes I recommend are to mandate:

For UYA:

1. A focus on institutional involvement and institutionalization of service-learning.
2. Serious concern for the integrity of the learning as well as service missions in order to generate a deeper involvement of higher education institutions in addressing poverty problems.
3. Specific exclusion of UYA living/lodging allowances from being considered "gainful employment" by financial aid officers, social security, handicapped, veterans or other agencies of federal government in order to involve more poor persons in access to higher education via service-learning contributions in their own communities.
4. A five year development period for UYA at a given institution with authorization for UYA program identity, health, federal service, liability and other benefits to continue beyond the five year period where UYA has been successfully institutionalized and program integrity is monitored and assured.

For NSVP:

1. The National Student Volunteer Program be renamed The National Service-Learning Program with its activities and increased budget specifically mandated in the legislation and not tied to the status of UYA.

2. The National Service-Learning Program be authorized to: operate and promote all service-learning programs, including, but not limited to, UYA; provide technical assistance, training, program materials, Synergist, and other current support to high schools, colleges and universities; conduct demonstration service-learning projects and other activities related to the developing field of service-learning.

3. The National Service-Learning Program be authorized to develop a national, regionalized support system for service-learning.

In this testimony I will demonstrate:

A. The impact of UYA in Vermont.

B. The community impact and continuum of three current and representative students with emphasis on service delivery of UYA.

C. The empowerment of one person, on welfare, who utilized UYA as a transition to academic and employment success.

D. Concerns and rationale for UYA recommendations.

E. The impact of NSVP's effort on development of service-learning in Vermont.

F. The national significance of NSVP's effort.

G. Concerns and rationale for NSVP recommendations.

H. Support, via letters, of representative members of the service-learning community.

I. Documentation.

UNIVERSITY YEAR FOR ACTION

The University Year for ACTION program involves students in a full time, 12 month commitment to service in the poverty community:

1. ...to strengthen and supplement efforts to eliminate poverty and poverty-related human, social, and environmental problems

by enabling students at such cooperating institutions to perform meaningful and constructive volunteer service in connection with the satisfaction of such students' course work during their periods of service while attending such institutions, in agencies, institutions, and situations where the application of human talent and dedication may assist in the solution of poverty and poverty-related problems and secure and exploit opportunities for self-advancement by persons afflicted with such problems.

2. ...to encourage other students and faculty members to engage on a part-time, self-supporting basis in such volunteer service and to work along with volunteers serving in UYA; and

3. ...to promote participation by such institutions in meeting the needs of the poor in the surrounding community through expansion of service-learning programs and otherwise.

4. ...to provide for a program of part-time or short term service-learning by secondary and post-secondary school students to strengthen and supplement efforts to eliminate poverty and poverty-related human, social and environmental problems.

University of Vermont Experience

I am now beginning my eighth year as Director of a UYA program that for the past two years has been entirely funded by the participating community service organizations and the University of Vermont. We operate UYA involving about 30 students each year on the original model of full time, 12 month community service with a fully integrated learning program designed to draw the resources of the University into the community. Each student receives a stipend of $2500. In essence we have adopted the original model for UYA and have taken seriously ACTION's goal of institutionalization. This achievement is fully described in NSVP's journal Synergist, "Institutionalizing UYA at Vermont," Fall 1977. (Appendix A)

In that eight years we have generated 306 years of UYA effort to impact on poverty and poverty-related problems in Vermont communities. (List of students and projects - Appendix B) In addition is the part-time effort of volunteers and interns for an estimated total $4,500,000 plus effort on behalf of community projects.

12.1% of Vermonters, or 51,621 persons, live on incomes that are under the poverty threshold. That's approaching a fifth of the population of our nation's most rural state. Student volunteers have contributed significantly to projects in mental health, environmental action, consumer fraud, education, correctional services, social services, legal services, health services, nutrition, housing, youth recreational services, advocacy for the elderly, adult literacy (article in Synergist, Appendix C), abused children, the handicapped, health services for prisoners, and many others, in our effort to improve the quality of life for this population.

COMMUNITY IMPACT

Attached is a Map for Determining Expectations, Roles and Relationships developed by my colleague Robert Sigmon from Raleigh, North Carolina. (Exhibit A) It shows the service learning network with public needs as the center of concern.

Students are involved at three levels of responsibility: exposure, skill development and practice and responsibility. Thus there is a continuum of involvement as the student grows from one level to the next.

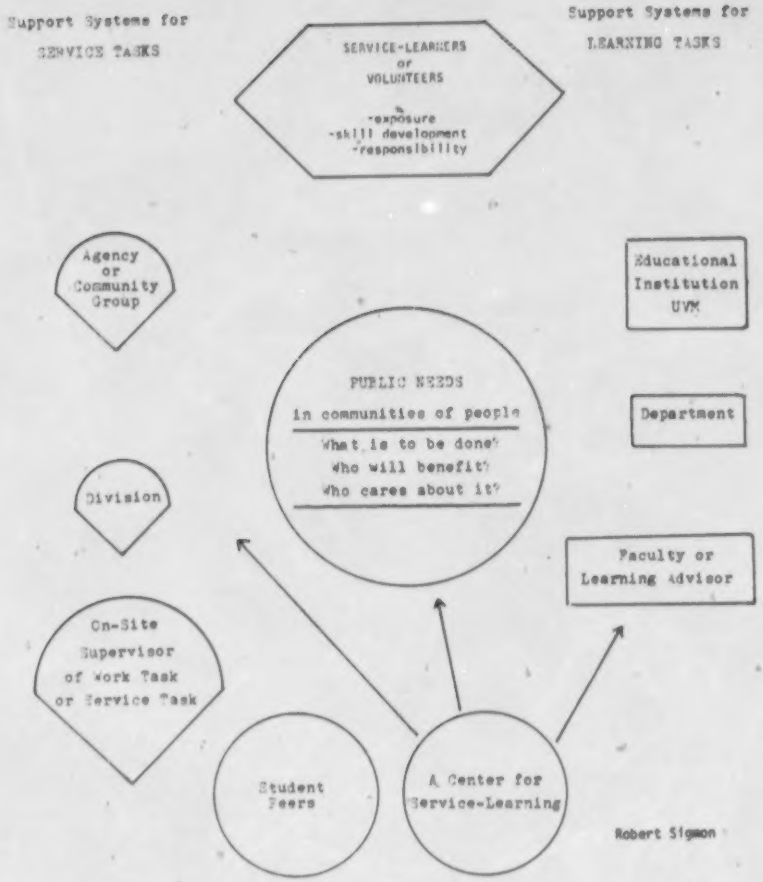
Attached are three profiles of students:

Exposure	Big Brother/Big Sister - companion
Skill Development	Adopt-a-Grandparent - project coordinator
Practice & Responsibility	Vt. Dept of Health V.D. Education Coordinator - UYA

(Case Statement - Appendix D)

Exhibit A

MAP FOR DETERMINING EXPECTATIONS, ROLES, AND RELATIONSHIPS


Support Systems for
SERVICE TASKS
SERVICE-LEARNERS
or
VOLUNTEERS
-exposure
-skill development
-responsibility
Support Systems for
LEARNING TASKS
Agency
or
Community
Group
Educational
Institution
UVM
PUBLIC NEEDS
in communities of people
What is to be done?
Who will benefit?
Who cares about it?
Department
Division
Faculty or
Learning Advisor
On-Site
Supervisor
of Work Task
or Service Task
Student
Peers
A Center for
Service-Learning

Robert Sigmon

VOLUNTEER PROGRAMS
Student Community in ACTION

Student Volunteer: Tina Parody

Position Title: Coordinator, Big Brother/Big Sister Program

Purpose: One becomes deeply involved in the community, providing support to needy children in the Burlington area, resulting in meaningful interaction and personal growth for the student and the child.

Tasks:
1. Companion to an individual child.
2. Meet with child weekly at least two hours for the full year.
3. Participate in BB/BS Program activities with other BB/BS's and their Little Brothers and Sisters.
4. Meet with BB/BS's for monthly discussions of problems.

Accomplishments: Offering a child a goal directed, personal contact outside his/her environment.

Student Profile: Native of New Jersey
Experience at home with younger siblings
Wished to become involved in the community in a leadership capacity prior to becoming an elementary teacher

Academic Background: Junior at the University of Vermont
Education major

Impact of Big Sister -

On community: One develops an awareness of the needs within the Burlington community, and is able to experience the potential impact of the University beyond the confines of the campus. Big Brother/Big Sister is an established resource for schools, social workers, and parents who seek help in dealing with children in need of emotional support.

On student: A student becomes aware of the differences within the Burlington community, i.e. economic, social, etc. and learns to deal with them. The student enhances their capacity for assuming a leadership role. The student learns about parent/child, school/child relationships and how to deal with the problems of these children within a home/community environment.

Career Aspirations: Elementary Education Teacher

SERVICE-LEARNING INTERNSHIP PROGRAM

Student Intern: Kate Butler

Position Title: Coordinator, Adopt-a-Grandparent Program

Purpose: To open and establish meaningful relationships on a one-to-one basis between young volunteers and the elderly. The role of the volunteer is to attempt to satisfy some of the needs of the elderly for companionship.

Tasks:

1. Promote the program.
2. Maintain contact with community services dealing with the elderly. (Area Agency on Aging, RSVP, Interfaith Senior Center, Burlington VNA, SRS, Meals on Wheels, Burlington Convalescent Center, and Birchwood Terrace Health Care).
3. Recruitment of volunteers.
4. Bi-monthly meetings in which the volunteers can share their experiences, exchange ideas and suggestions.
5. Matching the elderly in the community with interested student volunteers according to interests, hobbies, and needs.

Accomplishments: Generated more student interest concerning the elderly in the community.

Initiated many meaningful relationships between student volunteers and the elderly.

Student Profile: Native of New Jersey
Has worked with the elderly since the age of 15 as a: kitchen aide, nurses aide and private duty nurses aide.

Academic Background: Junior at the University of Vermont
Professional Nursing Program

Impact of the Project -

On community: Widely known among professional community agencies dealing with the elderly--used as a resource.

Impact on the individual elderly is a more subjective issue; Ms. Butler comments that her "grandmother" has said, that she considers Kate as close or closer than any of her grandchildren because she has always been there as a friend.

UNIVERSITY YEAR FOR ACTION

Student Intern: Donna Winchell

Position Title: Venereal Disease Education Coordinator
Vermont Department of Health

Purpose: To foster an awareness of venereal disease as a serious health problem in the state of Vermont and to educate the public about the disease and its treatment.

Tasks:

1. Assume responsibility for VD education in the state of Vermont.
2. Provide educational materials to teachers in junior high schools, high schools and colleges.
3. Give presentations to students, community groups, and health conventions.
4. Preview and evaluate VD education materials.
5. Supervise student projects.
6. Set goals and objectives for VD education in the state of Vermont.

Student Profile: Native of Connecticut
Worked with adolescents in the field of mental health during college
Conducted nutrition classes at Elaine Powers
Taught arts and crafts to emotionally disturbed children
Member of the Health Club at the University of Vermont

Academic Background: B.S. in Health Education from Southern Connecticut State College

Impact of Project: See Appendix D

EMPOWERMENT PRINCIPLE

The following Statement of Philosophical Principles, taken from the Mission Statement for the Center for Service-Learning, documents our deep commitment to the principle of "empowerment":

> **Philosophical Principles**
>
> The process of actualization, of persons becoming themselves at the deepest level of their potential according to their own chosen interests, values, experience and ability in the context of a supportive and yet challenging environment of service-learning is the underlying priority. We believe with Abraham Maslow that "Self-actualization work is simultaneously a seeking and a fulfilling of the self and also an achieving of the selflessness which is the ultimate expression of the real self. It resolves the dichotomy between selfish and unselfish. Also between inner and outer because the cause for which one works in self-actualization work is introjected and becomes part of the self so that the world and the self are no longer different." (Eupsychian Management) We believe that the student owns the learning and that he/she must view the community, university, faculty and peers both as learning resources and as co-workers in achieving tasks and services. We believe that the service is owned by those being served in the community and their own highest perceived needs ought determine the service provided and that concern for their growth and development as persons based on their own perceived needs, values, interests and experience, is a priority. We believe in the potential for service-learning as an educational process for empowering persons, in both university and community, with a strengthened awareness of their own leadership and service abilities in society. Through successive actual experiences of service-learning in tasks and situations of increasing magnitude and demand, a serving and learning lifestyle will be fostered with life long benefit to both the individual and society.

(A complete Mission Statement is attached - Appendix E)

Demonstrating this empowerment principle is the case of Joan Lawrence. Joan was a 29 year old welfare mother of three children, powerless, with no previous work experience, could not even drive a car, or do her own household shopping, as this was done by her husband from whom she had recently been divorced. The only thing Joan had going for her was a desire to change and some previous involvement as a volunteer.

Our UYA staff served as advocate to assist Joan in gaining admittance to the University. Joan became a UYA, first in our Information and Referral Project, then after the death of her mother and development of an interest in working with the dying, in the Cancer Unit of the Medical Center Hospital of Vermont. In that Unit Joan participated as a member of the team treatment project and did research and data work related to terminally ill patients.

Joan graduated from the University in May 1977. She now is employed as the Social Service Director of the Ticonderoga Central School District in Ticonderoga, New York. Joan credits UYA, which was her only work experience, as being the key to her "empowerment." She says, "As a 29 year old returning learner, with very limited resources, and a family to support, I was very grateful for 'on the job' experience, the stipend included, and the dynamic learning/doing dimension to my education. UYA constantly provided positive stimulation as I tried to understand an academic culture foreign to me. This was particularly important as I struggled to offset a 'welfare mother' mentality forced on me by the system which was assisting me physically."

The rest of Joan's letter and full documentation is attached. I think it speaks for itself. (Appendix F)

ALIGNMENT WITH UYA GOALS

From the beginning we have taken seriously the UYA goals of involving other students and faculty in service-learning and in promoting the participation of other institutions in meeting the needs of the poor. We operated a service-learning clearinghouse at each of four Vermont colleges, as well as the University, and at two high schools involving well over two thousand students yearly in poverty community projects.

We have established a Center for Service-Learning at the University and have secured the commitment of the University to the concept of service-learning as a means of relating our resources, via students, to the needs of the poor. Letters are attached from University administrators and faculty to document this commitment. (Appendex G)

The University has committed a year of my time, via a paid sabbatical leave, to study service-learning programs and bring back new ideas and resources to Vermont as well as to make whatever contribution I can to the developing field of service-learning. President Coor's approval of my sabbatical plan is attached. (Appendex H)

DISMAY OVER FATE OF UYA

I am deeply committed to support of the University Year for ACTION program, as are many of my colleagues. I am dismayed along with many citizens of

Vermont and our entire congressional delegation (Appendix I) to learn that the ACTION agency is taking a totally irresponsible position of not budgeting this excellent program.

Just because the previous administration mismanaged UYA is no reason to kill it. ACTION has funded a major study by the Educational Testing Service to come up with recommendations. They have funded five new Demonstration UYA projects. They have some major success stories to tell that meet all their new criteria regarding community organization, institutional change and empowerment.

I lay the responsibility for UYA uncertainty directly at the door of the ACTION agency and the failure for the past five years to provide effective leadership. ACTION has yet to take the program seriously. UYA was never effectively promoted nationally. ACTION UYA staff have not worked effectively with the higher education community to generate the kind of involvement that would impact on poverty community needs.

Rather than developing a consistent, effective UYA model, the UYA staff have been content to take a grant management approach, continuously manipulating the regulations and guidelines, taking an excessively narrow view of the program, omitting any concerns of the educational community for the impact of the program on students or the University itself and have turned off most people who have been involved with them. They have made UYA project staff enemies of their own program. They have demoralized educators who really do care to make UYA work, but who are discouraged by ACTION staff inability to "get it together." This is a terrible waste of both resources and opportunity for meaningful, impactful programming.

GENIUS OF SERVICE-LEARNING IDEA

The original genius of service-learning, meshing the service mission of ACTION with the educational mission of higher education is still viable, but ACTION must take the educational mission as seriously as they expect the educational community to take the service mission in order to make it work. The methodology of service-learning is developing. The concept is only seven years old. Given another ten years it will make a dramatic, national contribution to the quality of life in this nation.

URGE NEW LEADERSHIP

It is clear that new, imaginative leadership is needed for UYA. I urge the agency to assign the operation of UYA to someone who knows the philosophy and operational principles of service-learning and who cares deeply about using UYA resources to generate involvement of the higher education community in meeting the needs of the poor. The needs of our rural and urban communities are too urgent and the resources of our young people too great, to allow this malaise to continue any longer.

LEGISLATIVE RECOMMENDATIONS

Although I believe the legislative authority to operate an effective UYA program is basically in place, I would like to make the following recommendations:

1. Institutionalization -

   I believe stronger language is needed to make institutionalization a goal of the program. The institutional focus must be strengthened so that UYA is used to a larger more enduring purpose than simply involving students in individual projects over a limited time period. We want the higher education community continuously involved in meeting the needs of people.

   Service-learning is a demonstrably effective way to achieve this involvement. UYA should be used to strengthen the access of the poverty community to higher education resources as well as student manpower. Grants should be made to institutions, and be administered by programs with institutions, already demonstrating commitment to service-learning. NSVP related programs would be a prime target. UYA resources have too often been appended to institutions via narrowly focused academic departments that had no intention or hope of institutionalizing.

   The language "maintain similar service-learning programs after institution no longer receives support," should be made more explicit to mean "similar to the UYA model of full time, 12 month involvement with financial and educational support methods to sustain student commitment to work in the poverty community." I believe that stronger language will affect how ACTION awards the grants and make the purpose of relating higher education resources to the needs of the poverty community more viable.

   UYA and service-learning are going to succeed in institutions when located administratively where the widest range of interests coincide. At Vermont this has been in the Division of Student Affairs. Here academic, personal growth, community services, career development, administration and planning, public relations, student activities and citizen participation interests are all combined to create an environment within which service-learning and UYA have thrived.

At institutions where UYA has been located in an academic department it does not survive the competition with the primary interest of that discipline in research and publication. Where located in academic divisions, again, the primary commitments are to research, publication and expansion of knowledge in the academic discipline. The prestige of such a location has to be weighed against the dangers that service-learning may not survive simply because the mission of such a division does not provide for its nourishment. I believe this has been a major reason for lack of UYA program success or institutionalization.

2. Integrity of learning with service mission -

   Language should be provided that mandates ACTION's serious attention to the educational institutions concern for learning, personal growth and career exploration.

   In my ten year experience I know that where there is a match between the growth and development needs of the student and the project needs of the community the service generated is dramatically strengthened because the project has the full attention and motivation of the student. The cause for which he works is introjected and becomes an expression of his deepest self. The legislation and ACTION must take this learning dimension seriously in order to deepen the service impact of UYA.

3. Involvement of poor students - "gainful employment" exclusion -

   Language must be provided to assure that poor, handicapped, welfare, social security, veterans and similar students who participate in UYA do not have financial or support aid, whether from the educational institution or an agency of federal, state or local government, reduced because of receiving UYA living/lodging allowances. The increased allowances authorized last year only further reduce the aid package and reward the students who don't need it, further increasing the inequity between the poor and the non-poor students. This is a travesty for a program designed to assist the poor.

   Service-learning involves an added commitment, in the service of the country, beyond that of the normal student. If a student is eligible for financial aid to support his learning program and offers himself to pursue that learning program in relation to the added service and full time responsibility of UYA, he should receive the UYA financial support in addition to other support or financial aid. This would allow many more poor students to be involved on an equal basis with other students who are not on aid.

4. Five year development period, plus -

ACTION made two critical mistakes with UYA. 1) It sacrificed quality to quantity in an effort to generate numbers of students. 2) It reduced the grant period for Phase III and after UYA schools to three years instead of five.

The effect of these decisions was to demoralize UYA Directors and institutions who simply did not have the time to negotiate the complex academic, service and institutional commitments to sustain UYA in their communities.

UYA is a complex program. Institutionalization requires not only time, but assistance with institutionalization issues. ACTION adopted a minimal concept of insititutionalization and provided no assistance whatever to develop institutionalization strategies.

I recommend legislative mandate of a five year development period.

I recommend authorization language to mandate continued ACTION partnership beyond the five year development period with institutions which have successfully institutionalized UYA by generating local resources.

The problems do not go away. Communities need the resources of higher education generated via UYA access.

ACTION's strong poverty and service mission are important leverage evoking creative involvement of educational institutions.

ACTION's service mission and continued involvement beyond the five year period will help halt the erosion of service-learning commitment and maintain institutional involvement.

Student identity with the national UYA effort is a positive reinforcement to their efforts.

> UYA legal provisions for poor students, liability insurance, health benefits and other benefits (other than living/lodging allowances which would be generated from the community after the five year development period) would help sustain the high level of student commitment.

THE NATIONAL STUDENT VOLUNTEER PROGRAM

The University of Vermont has been involved in this movement from the beginning. Roland Patzer, UVM Dean of Students in 1969, attended the first organizing conference on student volunteers here in Washington in that year. The University of Vermont hosted one of the original Regional Conferences, for the New England Region, sponsored by the new National Student Volunteer Program, in 1970.

In the spring of 1971 I attended the first Leadership Training Workshop offered by NSVP in Seekonk, Rhode Island. One of the most memorable learnings for me was from an exercise where small groups of people, who did not know one another, created a painting on a sheet of newsprint which they then shared with the larger group. The learning was a simple one, but it has stayed with me through the years and I think it is relevant to this testimony: people support what they help create.

That the Center for Service-Learning now exists at the University of Vermont with its $150,000 plus budget in partnership with the community, its staff of five, its network of community and educational relationships, its commitment to the future of service-learning; that the University of Vermont has committed a year of its Director's time, via sabbatical leave, to study and develop this service-learning idea; and that UYA continues to operate in Vermont two years after the cessation of federal funding, is a result of application of that principle. We have made it our policy to involve people and to share ownership and recognition. People do support what they help create.

That is also why I am here today, not only as Director of the Center for Service-Learning at the University of Vermont, but as Coordinator of a new and rapidly growing National Service-Learning Advocates Network, NASLAN, to demonstrate to you and to ACTION that NSVP staff do not stand alone, that we, as a national network of service-learning coordinators, intend to support what we have helped create.

NSVP models the service-learning philosophy -

NSVP is the heart, mind and soul of service-learning because they have modeled the service-learning methodology, as well as articulated it, by giving the leadership in the field an opportunity to serve, and thus to learn, by assisting in training, writing and consulting with their colleagues.

The National Student Volunteer Program is the only national focus and advocate for service-learning. Now in their hour of peril, and that is exactly what it is because of perceptions within ACTION, and the confusion of the legislation tying NSVP to 10% of funding of UYA, we say: NSVP is important to us. NSVP needs its own legislative authority. NSVP must be empowered by Congress to continue its work unfettered by the maladministration of UYA. And there is more.....

NSVP as life line for service-learning development -

The National Student Volunteer Program has served as a life line for our Vermont program during its developmental stages. NSVP has carried the weight of commitment and conceptual development of an idea that did not seem very probable ten years ago and that is fighting for its very life today before this committee. Without this life line the Center for Service-Learning at the University of Vermont and the estimated 4.5 million dollars in service value to the community generated by volunteers, interns and University Year for ACTION students over that ten year period would not have materialized. The following history demonstrates some of the key events in the relationship of NSVP and the Center for Service-Learning at Vermont:

HISTORY

	NSVP	UVM Center for Service-Learning
1969	Conference on college volunteers	Dean of Students Roland Patzer attends - Washington, D.C.
1970	"College Volunteers Handbook"	Handbook used for UVM Office of Volunteer Program Plan. "Comprehensive Model" adopted.
	Regional Conferences	UVM hosts New England Regional Conference.
1971	Leadership Training Seminar	Participant in Seekonk, R.I. Workshop "People support what they help create."

	NSVP Assistance Center	Consulting and participation in Boston Workshop. Drafting ideas for manuals and handbooks.
	Consultant Services	Scott McCutcheon from BU conducts workshop for UVM students.
	Washington Conference on Volunteering	Participant skill building, recruitment, training, financing, publicity.
	Consultant Services	Received advisement on UYA proposal.
1972	Synergist	Article published on student film - "Do Nothing With Someone".
	Distribution and use of film - "Do Nothing With Someone" at NSVP conferences and workshops	
1974	Planning by Objectives Manual "for people who work with student volunteers"	OVP Management by Objectives and Results process using NSVP manual.
1975	"Service-Learning" idea	Developing concept of service-learning.
	Synergist article NOAH - "Need Overlap Analysis in Helping"	Need overlap analysis used to articulate interrelationship of community, University, and students in developing mission statement.
	"It's Your Move" Manual for community organizations	Manual distributed to community sponsors.
1976	Synergist (Fall '76) - ACTION VOLUNTEERS and students get it together - "Student Volunteers enhance UYA Adult Literacy Project"	Article published on UVM UYA Adult Literacy Project.

	Synergist (Spring '76) - Mike Goldstein - "Academic Internships, Can Cash and Credit Co-Exist?"	Service-Learning distinctions made clear in this article. A key turning point in our ability to articulate concept to students, agencies and University administration and faculty.
	Service-Learning concept evolves through involvement of people in the field in training, writing, consulting.	Service and learning functions defined in report to Academic Affairs Committee. Center for Service-Learning proposal. Service-Learning Internship Program develops.
1977	Advanced Service-Learning Seminar - Dartmouth College	Learning Styles Inventory - David Kolb - new concept. Planning Models. A conceptual Model for Service-Learning. Overview of Developmental Theories.
	Synergist	Institutionalizing UYA at Vermont - article published.
		Center for Service-Learning established.
1977	Basic College Seminar - Austin, Texas	Assistant Trainer-Presenter. Evolution of Service-Learning. NOAH. Motivation Theories - Knowles and Herzberg.
1978	Advanced College Seminar - Notre Dame	Assistant Trainer-Presenter. Kolb -Learning Styles Inventory - Bolles Life/Work Planning. Integration with Service-Learning methods to increase impact on community projects.
	July - Service-Learning workshop Washington, D.C.	Participant The future and definition of service learning.

	Educational Testing Service Assistance to Demonstration UYA schools	Consultant - Washington, D.C.
	National Conference of Black Mayors UYA grant	Consultant - Atlanta, Georgia
	Development of Service-Learning Administrators Manual - A "state of the art" manual for Service-Learning educators	Review of Manual - Assessment - "A thorough, reliable, efficient and analytical document. Represents the heart and mind and soul of service-learning. All of the key knowledge and resources for Service-Learning program management are represented here. A major contribution to the field."
	Antioch Law School - Service-Learning Project	Consultant - Washington, D.C.
	NSVP Funding Crisis	Decision to develop a National Service-Learning Advocates Network, NASLAN.
1979	Test Synergist Review concept	Proposed Review Board of Synergist.
	Planning for National Forum on Service-Learning	Consultant and recommended two faculty from Vermont. Specialists in community education and integration of service and learning.
		Independent Advocate for Service-Learning before Child and Human Development Subcommittee.
	Virginia Service-Learning Workshop	Consultant
	National Forum on Service-Learning "The nations first national conference focusing on service-learning." A major imaginative contribution to the field.	Participant and introduce two UVM faculty workshop leaders.
	NSVP Community Training Workshop	UVM hosts Eastern Regional NSVP Training Event.

IMPORTANCE OF SERVICE-LEARNING

The service-learning concept has the power to involve and move people once they grasp its inner dynamics. Once it is seen how social service and change, human development, citizen participation and educational principles integrate to evoke deep response on the part of the participants, service-learning will grow into a vital force on the national scene. I believe that the service-learning network of thousands of committed professionals who have begun to articulate the meaning of this concept in the pages of *Synergist* and elsewhere will grow, and that service-learning will become a meaningful way of involving students in the tasks of society with the support and assistance of responsive community and educational institutions.

Service-learning is a young concept, emergent, still needing its philosphers, researchers and advocates to move it to a deeper impactfulness. However, there is plenty of evidence, from participants and practitioners, that service-learning is a powerful, resourceful, inspiring idea.

NSVP AND UYA

I want to focus on the ironic fact that NSVP with its very limited funding, an estimated $2,000,000, over eight years, as contrasted with UYA with an estimated $43,000,000, has generated such a voice of support from so many individuals, institutions and programs across this nation. I have a deep commitment to UYA. I know that it works as the most comprehensive, challenging and impactful model of service-learning. The depth of community impact, of personal and academic growth for students, and of meaningful, long term institutional change in the relationship between education and service needs of society is greatest when students can be involved at this level. But viewed nationally, the UYA program has yet to fulfill its promise.

NSVP has not only *fulfilled* its purpose, it has established a firm national *constituency* of responsible support from individuals and institutions. Many of these institutions have *substantial financial commitments* to service-learning.

There is an estimated *30,000 volunteer service years* contributed to the community by NSVP's constituency. This compares to VISTA's estimated 4,600 volunteer service years. *Look at the cost-benefit!*

Rather than supporting, encouraging and promoting the development and improving the quality of the service-learning idea through involvement of the people in the field, the UYA staff did everything they could to keep people apart. The only UYA Directors I now know I met at NSVP sponsored events. Rather than encouraging the integration and empowerment that combining learning and service can generate, UYA staff attempted to divorce meaningful educational objectives from ACTION's legitimately mandated service objectives and very nearly destroyed, rather than nourished, an excellent program and concept.

In this field, as in any field where the ideas are young and the people vibrant, there are differences of emphasis. Some of us are community based and naturally stress the service dimensions. Others of us are based in educational institutions and take the learning dimension very seriously. That there is not yet a consistency of approach should not in any way be taken as other than a reflecttion of the potency of service-learning. There is room for models of service-learning as varied as Vermont and the National Conference of Black Mayors, ALCOR in Kentucky and the University of California at Irvine. The important thing is to keep service-learning alive and UYA with it and to bring us together to learn from one another.

Again, the imagination and vision has come from the National Student Volunteer Program. Exactly one month from today, March 8, 1979, here in Washington, the first National Forum on Service-Learning will be held. NSVP has given the professionals in this field a gift of time and space. They have created a context within which the scholars and practitioners of service-learning can come together to explore the multi-dimensional philosophy and methodology of service-learning. NSVP knows that the program will be effective because they have the trust and confidence of the people in the field.

NSVP's ability to consistently build this trust and confidence by working with people in the field stands them in good stead for higher levels of responsibility. Because they have this confidence, and because they have performed competently for ten years, and because we in the field have built deep commitments in our institutions and communities and need their form of effective leadership as service-learning moves into its second decade of development, I want to recommend the following:

1. That NSVP staff be mandated with responsibility for all service-learning programming with ACTION, most especially including University Year for ACTION.

2. That NSVP become The National Service-Learning Program within ACTION, mandated to continue, at a much higher level of visibility, magnitude, and funding, the technical assistance and resource functions developed by NSVP.

3. That the staff of the new National Service-Learning Program be charged with developing new service-learning program models to involve young people from sectors of the population not previously included in service-learning activity.

4. That the staff of the National Service-Learning Program be charged with responsibility for hiring and training a staff of service-learning specialists to work in each of the ten ACTION regions to develop service-learning capabilities in those regions.

5. That the staff of the National Service-Learning Program be charged with responsibility for assisting and funding a service-learning program and Resource Center in each state.

Senator Cranston and Members of the Subcommittee, this small federal investment in service-learning will have a big pay-off. Service-learning encourages local involvment, participation and financial investment in partnership with the federal government. Service-learning involves young people, of all ages, in the tasks that need to be done in this society. Service-learning encourages individual initiative and evokes and supports, with information, strategy, training and resourcefulness, local citizen efforts to address problems. Service-learning can build a deeper spirit of community, a deeper sense of purpose for individuals, and forge closer ties between social and educational programs. I urge your consideration and adoption of these recommendations.

Thank you.

Institutionalizing University Year For ACTION at Vermont

HAROLD D. WOODS
Director
Center for Service-Learning
University of Vermont
Burlington, Vermont

THE UNIVERSITY OF Vermont at Burlington started a University Year for ACTION (UYA) program in January, 1972. On February 18, 1977, after ACTION funding terminated, the Vermont UYA program continued, supported by local funds. This may be a unique achievement among UYA schools. ACTION legislation sets a limit of five years on funding to any one school. Few have managed to continue the program in its original form beyond the five year period.

UYA Benefits

At Vermont, the original concept of UYA, a one year commitment for students to serve the poverty community while earning normal academic credit toward a degree, was viewed as having important and concurrent benefits for agency projects, student growth, and educational process within the University. The UYA staff sought to continue the program in order to keep those benefits.

Established in the second poorest state in rural northern New England, at a University which has been tightening its budget in recent years, our experience may be of interest to schools starting a UYA program.

ACTION has established five goals for UYA: (1) to provide effective manpower to work on poverty problems; (2) to combine service and learning in an integrated one year project; (3) to encourage university involvement in local poverty communities; (4) to use universities to administer volunteer projects at the local level; and (5) to institutionalize the above goals of UYA at participating schools.

Most UYA schools achieve the first four goals within a year or two. The fifth goal, "institutionalization," seems to hover like a vulture over the struggling UYA effort. How to avoid being consumed by this single concern and still conserve energy to operate an effective program is the question that needs attention from everyone interested in UYA.

UYA is a complex program, involving unusual academic credit arrangements, commitments with local poverty agencies, faculty sponsors for participating students, and financial and administrative procedures that are not the everyday fare at most schools. After a couple of years, these relationships and procedures are tenuous at best. The threat of abandonment of a neophyte UYA program to survive on its own resources can be discouraging. The "drop dead date" has forced several schools to close UYA down, or not even begin, for lack of resources or strategy for institutionalization.

Beginning Strategies

Vermont's UYA program was housed in the newly established—but not yet thriving—Office of Volunteer Programs (OVP). OVP was established by the Dean of Students Division in 1969 as an extracurricular activity in response to burgeoning student interest in community involvement.

When ACTION announced a UYA grant to the University of Vermont it seemed an ideal way to strengthen and structure the existing volunteer program and to establish more formal ties with academic and community interests. We imagined that UYA could facilitate a variety of projects that would build on demonstrated student enthusiasm.

In the beginning, however, there were no skilled people to turn to as resources for achieving that vision. The new UYA staff was learning about the program at the same time as the UYA students.

Two hundred and fifty-four UYA volunteers and five years later, it looks different. We have been "trained" by the students, faculty, and agency sponsors. The program is established and expects to survive the shock of institutionalization. There are excellent UYA positions for the current year, and we are planning for 20 to 30 UYA volunteers for 1977-78.

OVP Base

In retrospect, the decision to use OVP as a base for UYA seems sound. UYA volunteers used the resources of and contributed energy to OVP's Project Coordinators' Council, a student-run group that coordinates 500 students in 14 projects. Using "facilitation" as an operating principle, we placed students in roles that would encourage them to mobilize other students, residents of communities where they worked, and whatever other human resources might be available. We refer to this as the "multiplier effect." Some significant examples of it include an adult literacy project, a volunteer clearinghouse project that included several state colleges and high schools; an area information and referral project, establishment of a neighborhood youth center, and development of a low-income advocacy organization, among many others.

When we first began the UYA program, we controlled all of the grant money, and this underscored our reputed wisdom as to which projects were acceptable. We learned that resources to support the program had to be found from among the participants: the students, the community, and the University. As this "partnership" strategy evolved, it aided our efforts at institutionalization. The process of planning and organizing among partners, each of whom has something to give and to gain from the investment, works.

Having UYA evolve within the broader organizational structure of the Office of Volunteer Programs and the Dean of Students Division has had other benefits. Our students have come from all of the colleges and schools of the University. A broader range of skills is available to the community. The interdisciplinary learning context for students has been enriching. Importantly, the UYA program has been viewed by the University administration from this wider perspective of total impact within the University and community, rather than from a narrower academic or departmental perspective. From the Dean of Students Division, we have been in a better position to relate to other services—Counseling, Financial Aid, Career Planning—and we have been more effective in working out complex financial procedures. In the face of hard times in Vermont, University dollars have been secured to maintain the administrative staff and UYA as the most comprehensive program of what is now the Center for Service-Learning.

The transition from the Office of Volunteer Programs to a Center for Service-Learning was arduous. UYA had precipitated enormous tensions as to our identity and the future. It was both a creative and painful process to deal with the variety of concepts and expectations regarding our role and function.

First, the students came from a variety of colleges, schools, and programs of the University: Arts & Sciences; Education & Social Services; Agriculture; Home Economics; Natural Resources; the Graduate College; and the Colleges of Engineering, Mathematics, and Business Administration were represented. Some wanted a project that directly related to a major. Others wanted practical personal experience or to make a contribution to the community. Still others were thinking about jobs and wanted to develop skills. The complex mix of personal, academic, and career needs, combined with enthusiasm to be "out there" working composed one set of needs. To respond to these needs is one goal.

Second, the agencies requested a broad range of skills. Some needed students with helping or counseling ability. Others needed organizers or administrators. A few needed analytical or data oriented students. Some needed intuitive-creative skills and others more practical, task-oriented interests. The projects came from many different levels of organizations, from state government bureaucracy to private non-profit self-help agencies, to "grass roots" advocacy and developmental projects. The agency sponsors naturally expected that we would find highly motivated students to meet their particular set of needs. That is a second goal.

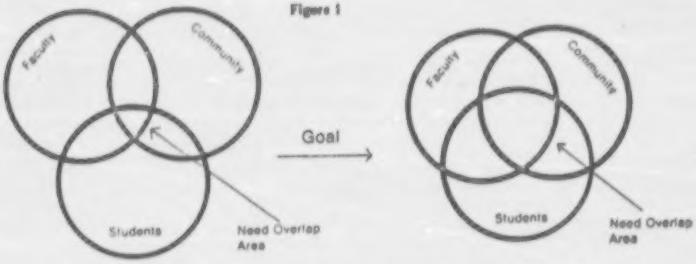
Faculty Response

Third, faculty have been skeptical about the integration of academic credit with volunteer work. It proved difficult to get our theories across. Poor strategies of students further confused faculty. For example, they asked faculty to "give" them credit for UYA rather than "earning" it via a structured process of preplanned learning goals, tasks, and demonstration of results in terms that faculty could evaluate. Often, faculty received requests to sponsor students in projects that were not related to the faculty members' personal or professional interests. The third goal became one of relating the program in a meaningful way to faculty needs.

It became clear that student, agency, and faculty needs are very different. The student is operating out of several dimensions simultaneously that may be summarized as personal growth, academic growth, and career development. The dynamics of the latter are just beginning to be sorted out during the college years. The community agency wants to get a task done. The faculty is concerned about the learning/teaching process and the integrity of learning as related to accreditation in a discipline or major.

Add to this set of need clusters ACTION's imperative that "the poverty community will be served" and

Figure 1



Source: Ivan Scheier, National Information Center on Volunteerism, Boulder, Colorado

the fact that the University's mission is to provide education (usually conceived as courses, credits, degrees) as its primary service to society, and the dilemma for the UYA staff becomes clear.

As we searched for answers, it became apparent that our location in the Dean of Students Division was ideal in that we did have a responsibility to serve students and faculty from all colleges and schools of the University. We could evolve an educational program that would include structured relationships with faculty in the academic disciplines, but that would also address out-of-classroom growth and career needs of students. We saw our program as having a growing capability to provide effective organizational, administrative, and educational services to students, faculty members, and the community.

Meeting Needs

So, rather than resolve our dilemma in the language or jargon of one group or another, we sought to speak to each in order to meet the needs of each at some appropriate level. We are concerned about having an impact on the tasks to be done in the community; about evolving a sound educational method that results in meaningful learnings and demonstration of learning that is accreditable in traditional disciplines; and, finally, about meeting the varied personal, career, and academic needs of students.

The Need Overlap Analaysis in Helping (NOAH) concept, one of the "people approach" systems developed by Ivan Scheier at the National Information Center on Volunteerism in Boulder, Colorado, has provided a useful framework. With each of our constituencies represented by spheres, the area of overlap symbolizes the possibility, in the matching process, of achieving a closer alliance of the three groups while acknowledging that larger aspects of their respective interests, needs, and activities are not immediately related.

This matching phenomenon is never accomplished in a form that can be precisely replicated. There is always a tendency towards disintegration because the complexity of the process is negotiated between members of the three groups. But each time one of our staff is approached by a student, faculty member or agency representative, we take care to respond out of the context of all three. For we know that the self-interest of each offers the possibility of a mutually fruitful collaboration and integration if the overlap need area is identified and expanded (see Figure 1).

The community does need highly motivated, skilled manpower at modest cost to achieve its goals. Faculty respond positively to student-initiated projects that are supported by structured educational methods, that are challenging in areas of the faculty member's interest and expertise, and that lead to identifiable and creditable learnings for the student. We have extensive experience to attest the responsiveness of students to the challenge of working in community projects as part of their formal education.

Some examples follow. Students' interests may be career related. A student in the Communications and Theatre Program works for the Department of Corrections to manage an interact television network between Dartmouth, the University of Vermont, and the state prison at Windsor, to bring in educational resources to the residents. Another student, a geography major with demographic interests, assists the comprehensive health information unit to develop mapping procedures for health planners. A zoology major who wants to be a dentist spends a year with the "tooth fairy" program of the State Division of Dental Health doing outreach in poor areas, assisting hygienists with education, analysis, and statistical presentation of the program. A political science or sociology major works in the Consumer Protection Division of the Attorney General's Office or in the Youth Services Bureau of a children's rights project to gain experience before entering law school.

Sometimes a student's interests are more personal than "academic," e.g., a biology major who wants to be a physician spends a year in a physical therapy unit of a hospital to test whether he really "wants" to work in a health setting.

From the larger educational perspective, academic, career and personal needs can be interwoven, individually addressed, and nourished in an integrated program experience. A student may enter the UYA program with primary motivation in one dimension, e.g., personal growth, and emerge from it with a strong sense of renewal in another, e.g., academic. The program allows for tremendous breadth and depth of individual student experience.

Other functions—training, program planning, information services, technical support and administration—make up concentric rings of the target (see Figure 2). With the target overlayed on the NOAH framework, some services can be designed just for one group, e.g., a training workshop for community agencies or technical support in service-learning management for faculty, but our reference is always back to the bull's eye and the matching process for students.

Our experience with UYA has led us to examine our identity as the Office of Volunteer Programs and to seek a conceptual framework that more clearly conveys the thrust of our effort.

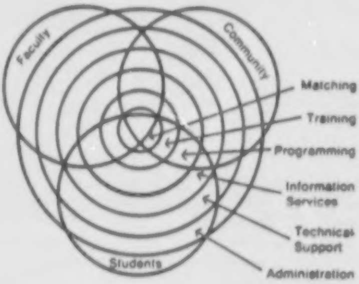
As we looked around the University, it became apparent that what we were doing was not new. People in the professions, particularly medicine and allied health, as well as sciences and education, have been doing it for years. They are doing it under a wide variety of labels: "practicum," "internship," "special projects," and so on. But, as we looked *functionally* at what was happening, it seemed clear that in every case, a *service* was being provided as an aspect of a formal *learning* program. We are trying to develop a method to bring this type of learning to the general student population, particularly to undecided undergraduates seeking personal direction.

Medical Example

Of particular interest to us was the medical example, especially that associated with the "problem oriented record system" developed at the University of Vermont Medical School by Dr. Lawrence Weed.[1] The medical student begins very early to take responsibility for small segments of real problems experienced by actual patients, "people" who are ill, but whose "problems" exist in a web of social, family, financial, and institutional relationships. The structure of accountability is between the person who is at the moment "patient" and the person who is at the moment "physician" or "medical student." The medical problems to be cured are not divorced from the person who is experiencing them. The student uses peers, faculty, and medical library materials as resources to assist in solving the patient's problems.

As the student moves through his medical education, the magnitude and complexity of the segments of patient care for which he or she is responsible increase but the principle of accountability is the same. The accountability is to the person experiencing illness rather than to professor, courses, and exams. The role of faculty is that of resource manager and evaluator to assure that the student is thorough, efficient, reliable, and analytical in the approach to the problem-solving process.

Figure 2



In our experience with UYA volunteers, student volunteers, and interns, the "structures of knowing" that evolve for students through this process of increasing accountability to the persons, situations, and events that occur in the living community organizations "out there" are real, describable, documentable, and accreditable. They are not "generalizable," for each student's experience and reflective analysis of the tasks to be done are his or her own, and the organizational and client environments and problems they confront are different. This is where the faculty linkages and the "match" are so critical. You want and hope for a faculty-student-agency rapport that will result in significant benefits for the agency's service, the student's learning, and the faculty member's involvement as a "knowing" resource.

The medical example has strengthened our commitment to the idea that the "service" (including advocacy) that needs to be done in society is not only legitimate, but also equal with traditional learning methods for undergraduate students.

Over a period of about four years, the concept of service connected in some way with learning evolved out of the depths of our own experience with UYA and other University programs. We say that the hyphen in the term "service-learning" connotes the connection while preserving the distinction between the processes of service and learning. This term has survived where others—"field experience," "off campus education," and "experiential learning"—were found limiting.

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[1] Lawrence Weed, "The Implications of the Problem Oriented System for Medical Education," in J. Willis Hurst and H. Kenneth Walker (ed.), *The Problem Oriented System*. New York: MEDCOM, Inc., 1972.

Recognizing that service-learning, by whatever name, is used in many departments of the University, we began in the fall of 1976 to identify ourselves as the Center for Service-Learning. We offer technical assistance, and advocate service-learning as an educational method.

We continue to operate a continuum of programs from the Center, beginning with the volunteer program as the entry level of participation, involving 1,000 students per year. We have established the Service-Learning Internship Program (SLIP) for students who want to work for a full semester with an individually designed mix of credit, stipend, and job commitment. We have had 50 students in this program during its initial year. This fall we are starting a Work-Study Internship Program (WSIP) for students who qualify for this aid and want to add academic credit to make it a more complete experience. With our Career Planning & Placement Office, we are working to develop a cooperative education program. The University Year for ACTION program will continue to provide the most comprehensive experience because it integrates personal, academic, and career concerns over a one year period.

We anticipated that this continuum of programming will provide students a variety of access routes and increasingly challenging levels of responsibility in community service-learning projects. We are already experiencing student applicants to UYA who have had several years experience in a variety of projects and who come to UYA with unusual clarity of purpose, academic plan, and career vision.

The Ultimate Goal

The ultimate goal is of course to have our graduates assume active, thoughtful, citizen-advocate roles in society as volunteers, employees, and parents. If in some measure our students can be empowered to assume responsibility for their own lives and the lives of others in competent social roles, we will all be better for it.

The academic component of our program depends upon the student's initiative in identifying faculty sponsors in his or her own academic department. A student/faculty planning manual is available to assist the student in working out these arrangements.

For UYA, the Service-Learning staff teaches a core seminar, a "Laboratory Experience in Education," for one year for 18 credits. This course begins with a one-week pre-service training session and then meets every two weeks for the rest of the year. The seminar includes a general activity which is team-taught. The total group then divides into small groups, called "contract groups." Each contract group has its own staff advisor. The purpose of a contract group is to provide peer review, resource sharing, personal support, and evaluation. Each student draws up an individual learning contract for the year. Students keep reflective journals, make presentations of their work and learning, and present quarterly written reports of their progress on the project as well as final statements on the year's experience. In addition, they get feedback from their agency sponsor in a quarterly work performance review. We stress the self-assessment process and view the above procedures as tools to assist the student in identifying growth dimensions of his or her individual experience.

Two Year Process

The UYA program is a two year process. During the first year we plan the project, recruit students, match them with jobs, and negotiate academic requirements. The second year we implement the program. As we administer one program, we are planning the next.

It is more difficult to recruit agencies for UYA placements if you must ask for a budgetary commitment of $2,800. Student recruitment, matching, and planning are more difficult when the agencies are in remote locations or are established institutions with endless bureaucratic procedures. One drawback is that some of the newer "grass roots" agencies cannot generate the resources needed for UYA. We are seeking other sources of funding and have had some success with combined funding. Under this system of combined funding, an agency with money supports UYA volunteers in several agencies with complementary program goals but without funds.

Our commitments with the agencies are secured by contract for services. The agencies are billed monthly and the University pays the students directly. This helps preserve the non-employee "volunteer" role of the student in the agency and helps assure that we have that additional contact with the students at check time.

The students in the operations phase of the program help recruit students for the next year. Our students hold a UYA Learning Fair in the student center and tell other students about their UYA experiences. We use other recruiting techniques, but the sharing of personal experience is best.

We have used the term "support" in place of "supervision." We used to try to spend a lot of time out in the "field" supervising our students. We finally saw that that was very time-consuming and expensive and not really productive, given the broad range of students, agencies, and faculty in our program. We can't

(Continued on page 43)

Challenge To Read

(Continued from page 29)

helps to build a spirit of community self-help. Student volunteers also are recognized at the banquet.

Members of the McElrath Improvement Corporation and the Skeels Improvement Corporation, self-help agencies run by and for community members, identify children interested in participating in the program, and provide space in their one-room community centers for reading sessions. Kent State's Volunteer and Community Services Office offers transportation for volunteers to the nearby centers.

Orientation and Training

The King/Kennedy Project sponsors and administers the Challenge to Read Program. Project staff members orient and train all students who volunteer to work with Challenge to Read. The 90 minute orientation includes information on the McElrath and Skeels communities, examination of volunteer roles and expectations,* volunteer time commitments, and procedures for receiving academic credit if desired.

The orientation is followed by a 90 minute training session, the content of which varies from quarter to quarter. Roger Henry, Coordinator of Volunteer and Community Services at Kent State University, has led a cultural differences exercise designed to help volunteers relate to the children more effectively. At another session a consultant discussed the history of black education.

During the quarter, before leaving for the community centers, student volunteers meet informally to discuss various techniques and activities that have stimulated the children's interest in reading.

In the past year the number of children participating in the Challenge to Read Program has increased from 11 to 60. Parents and teachers have commented on the children's new interest in reading, as well as their improved reading skill. Although students volunteer for one quarter, most have continued in the program for a second quarter, doubling their commitment.

Kent State's commitment to helping residents of the Skeels and McElrath communities is also demonstrated by the involvement of staff and students in fundraising for the construction of the King/Kennedy Center, which will provide such services as day care, legal aid, health clinics, and job training for Skeels and McElrath residents. Kent State students will serve as volunteers at the Center. Planning the construction of the Center and the services it will offer has been a cooperative effort of the entire university community, local social service agencies, and the residents of Skeels and McElrath.

In 1971 Kent State students made a commitment to raise $80,000 for the construction of the Center. So far, they have raised over $70,000. □

UYA at Vermont

(Continued from page 6)

be experts in every dimension. So we concentrate on setting up a supportive system, delegating supervision to the agency sponsor, technical academic oversight to faculty sponsors, and providing the core seminar as the means of our primary contact with students. Each staff facilitator is responsible for one contract group and sees those students and their agency sponsors on a regular and "as needed" basis. We have found this to be effective.

We have a core staff of six people: a director, an assistant director responsible for coordination of placement and training functions, an assistant director responsible for program planning and development, a graduate assistant who helps with operations and teaching the core seminar for UYA, an administrative assistant, and a secretary. In addition, UYA volunteers, work-study students, and student volunteers assist with the placement, communications, and outreach functions of the organization.

The Future

There are continuing problems. There was a definite shock when we lost the Federal money and, more importantly, the Federal benefits for UYA volunteers. The stipend is critical for low-income agencies and low-income students. The Federal health insurance, torts claims liability coverage, service benefits toward retirement, and protection of UYA income from counting against other benefit programs, e.g., social security, were critical ingredients in program stability. Our students will be UYA volunteers in every respect, but without the Federal service benefits of their peers at other institutions, unless legislative changes are made.

Very important was the identity with the national visibility of ACTION and the sense of participation in a national effort. We are left with the name "UYA," which is not copyrighted, and local rumors of "they lost their Federal money!" to contend with.

We recognize that we are not nearly as secure as the history department or the admissions office, but we feel that we are at the threshold of the higher learning edifice; our contribution is recognized; the vultures are gone, we are able to move more comfortably among our constituents. □

All publications are listed in *Synergist* solely as an information service for volunteers. Inclusion of a publication does not imply that ACTION or the Federal government endorses it or favors it over other publications not included. NSVP does not stock publications listed. Orders must be sent directly to the source. The National Student Volunteer Program quotes prices of publications only as a service and is not responsible for changes which may occur without notice.

CASE STATEMENT

DONNA WINCHELL

UYA

VERMONT DEPARTMENT OF HEALTH

VENEREAL DISEASE
SECTION

STATE OF VERMONT
AGENCY OF HUMAN SERVICES

DEPARTMENT OF HEALTH
60 MAIN STREET
BURLINGTON, VERMONT 05401
[illegible]

February 1, 1979

Dear Sirs:

In the following letter I will attempt to show to you what I have accomplished in the past eight months as a University Year With Action student and what this experience has done for me.

My name is Donna Winchell and I have the position of Venereal Disease Education Coordinator for the VD Program, which is a branch of the Vermont State Health Department in Burlington, Vermont.

I have been in my position for little over half a year and in that time I have been involved in the following projects:

--- I have participated as a group facilitator at Health Education Workshops sponsored by the Vermont Department of Education at South Burlington High School in June of 1978.

--- I helped conduct a survey of venereal disease education in the Junior and Senior High Schools throughout Vermont and compiled the results to use in determining educational goals and objectives of the VD Program.

--- I have surveyed individual groups of students to determine their knowledge of venereal disease.

--- I assisted in the epidemiology of other communicable disease outbreaks by doing telephone surveys.

--- I have set up and participated in VD information booths at the Champlain Valley Fair in Essex Junction, Burlington High School Health Fair, Vermont Education Association convention and a school nurse convention.

--- I have conducted Venereal Disease Workshops with eight area schools including two Vermont Colleges. I have also done VD Workshops with a bible group in Richford, a Boy's club in Burlington, a health center in Enosburg and an adolescent group home for troubled girls in Burlington.

--- I reviewed materials from organizations across the country and wrote a resource guide that lists organizations, addresses and materials for school teachers to utilize in teaching human sexuality and venereal disease.

--- I have compiled a guide of local agencies dealing with human sexuality and venereal disease, listing the different materials and services they offer.

--- I have held a local poster contest and also displayed my own posters throughout the University of Vermont and other gathering places in the community to increase public awareness of venereal disease.

--- I have reviewed articles and educational materials, such as booklets, pamphlets, charts and films for use in the VD Program as tools to broaden the public knowledge about venereal disease.

--- I have begun to put together curriculum materials and educational activities that instructors can use in developing venereal disease lessons.

From my work with U.Y.A. I have gained confidence and experience to help develop my future career goals. I have the satisfaction of knowing that I have helped people think about a major health problem through values clarification and by exposure to factual knowledge. I've been given the chance to leave the classroom to experience and learn what the "real" world has to offer and to deal with different kinds of people in different situations. I have been able to see how skills and abilities that are often discussed in college classrooms can be utilized in practical, everyday situations.

The time that I have spent in U.Y.A. has proven to be the most valuable learning experience of my college career. I can only hope that other students will have the opportunity to participate in such a benefical experience.

Sincerely Yours,

Donna Winchell

Donna Winchell
VD Education Coordinator
U.Y.A. Intern

Senator **Cranston**. Thank you.

Mr. **Lang**. My name is Harry Lang, and I am the assistant executive director of the Hillside Children's Center in Rochester, N.Y.

I would like to introduce my colleagues who have come with me today. On my far right is Chris Lindley, UYA project director for Rochester Area Colleges, Inc.

To my immediate right is Clayton Osborne, who is western district director of the New York State Division for Youth.

We thank you very much for inviting us to testify on behalf of the UYA program. We appreciate this opportunity very much.

In our time allocated we would like to supplement our written testimony by very briefly relating a few of the key elements. I would like to share with you some information relating to the efforts to institutionalize the UYA program in our community.

I would like to preface my remarks by saying we believe the local UYA program has offered an opportunity for agencies to develop innovative and extended poverty programs with remarkable results. These programs would not otherwise have been possible because of time, staff and fiscal constraints.

As testimony to the invaluable contribution by members of the UYA program, a coalition of private and public agencies in the community have formed a planning committee to develop and institutionalize the programs and objectives of the UYA.

We feel a very strong commitment to these efforts to facilitate the transition and to perpetuate the UYA program.

The Rochester area college's Community Agency Planning Committee has been actively seeking alternative funding sources to replace the Federal money orovided under the 5-year phaseout formula. This would include funding of student stipends and benefits.

The committee is planning an collaborative ongoing training program for volunteers, the establishment of a job bank employment credits for UYA experience, and for future organizational development. There are other issues being addressed by the agency, including the bridging of the gap between educational institutions and the poverty level people in the community.

Thank you.

Senator **Cranston**. Thank you.

Mr. **Osborne**. Thank you for the opportunity to speak.

I am Clayton Osborne, western director of the New York State Division for Youth.

The division is responsible for the placement and programing for youngsters who have been adjudicated by the courts as juvenile delinquents.

Our agency is based on the presumption of the development of delinquents, and the rehabilitation of delinquents. Over the past 5 years we have attempted to meet these objectives by institutionalizing youth from our large facilities, as well as to diversify the kinds of quality programs available to the young in the community.

The UYA project—our participation in the UYA project has been invaluable and a most effective means of accomplishing our objectives. The volunteers who work in the UYA project, as well as the administration, have allowed us to be effective in institutionalizing large numbers of youngsters in the target district in which I come, as well as providing invaluable linkages between the youth and the community when they have been forced to have been removed from them.

The UYA program has also forced and encouraged dramatic linkages between the youth, this State agency and private voluntary agencies. One good example of what has been done through this program has been to allow access to delinquent, troubled youth, all of whem are often black, poor, never had access to universities, and the tremendous resources available through those means.

Some of the specific programs that we have been able to develop have been specialized foster care programs, day care programs, and art programs. We feel as an agency that we would not be able to continue the institutionalization efforts as effectively as we have been without the continued funding of the UYA program.

Briefly, I would like to encourage strongly from a personal viewpoint as well as from an agency viewpoint, the continued funding of the UYA programs.

Senator CRANSTON. Thank you very much.

Mr. LINDLEY. My name is Chris Lindley, and I am the project director for the Rochester area colleges.

I have just a few very brief comments. We don't consider that we run a service learning program. We have service programs that have some derivative educational benefits.

Second, we are a little confused as to the expression of interest in the upgrading of service-learning programs within ACTION by terminating all of them. We fall in that fourth quarter.

That rationale is a matter of substantial concern.

Third, we share the concern of ACTION and this subcommittee that UYA and other services not become a vehicle for Federal subsidization of what our educational institutions are already doing or should be doing by way of community service programs.

Fourth, we have submitted in our written testimony our concern about the Office of Education's interpretation of section 404(g) relating to volunteer eligibility for student assistance benefits.

Five, I think within the written service requirements spelled out by ACTION there needs to be some greater latitude for local project administration. For example, the provision for residency in the community where the student is serving simply is not feasible. By the time students come into our project, they are often locked into leases and arrangements that they cannot always get out of.

There are several others, but we hope very much that your interest will prevail in terms of making available funding on the basis of merit rather than funding on the basis of which quarter one happens to fall into.

[The prepared statement and additional material supplied by Mr. Lang follow:]

Rochester Area Colleges, Inc.
FIFTY WEST MAIN STREET
ROCHESTER, NEW YORK 14614
AREA CODE (716) 454-2366

January 31, 1979

Senator Alan Cranston, Chairman
Subcommittee on Child and Human Development
Human Resources Committee
Room 4230
Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Cranston:

We appreciate the opportunity to submit the attached materials concerning the future of the University Year for Action program.

Our collective testimony consists of four principal parts. The first summarizes some of the principal accomplishments of the Rochester Area Colleges' University Year for Action program since the enrollment of the first UYA volunteers in September, 1977. The second describes specific service benefits of the University Year for Action program to the two major participating community agencies associated with the RAC-UYA project - the New York State Division for Youth and Hillside Children's Center of Rochester, New York. The third evidences the support of the State University of New York for the UYA program, both as a community service program and as an alternative educational opportunity. The fourth contains specific recommendations based on our collective experience concerning future legislative and/or administrative directions for University Year for Action.

Alfred University
Colgate Rochester/Bexley/Crozer
Community College of the Finger Lakes
Eisenhower College
Empire State College
Hobart and William Smith Colleges
Keuka College
Monroe Community College
Nazareth College of Rochester
Roberts Wesleyan College
Rochester Institute of Technology
St. John Fisher College
State University College at Brockport
State University College at Geneseo
University of Rochester
Wells College

As representatives of the major participating community agencies and academic institutions associated with the Rochester Area Colleges University Year for Action project, we urge Congress to continue support for this program and hope our collective testimony will be useful in your deliberation.

Sincerely yours,

Harry Lang — Clayton Osborne

Harry Lang,
Assistant Executive Director
Hillside Children's Center

Clayton Osborne,
Western District Director
New York State Division
for Youth

Alexander R. Cameron

Alexander R. Cameron,
Executive Director
Rochester Area Colleges, Inc.

PART I

PROJECT SUMMARY

PART I

PROJECT SUMMARY

Rochester Area Colleges, Inc. is a consortium of sixteen colleges and universities located in the central western region of Upstate New York. Total student enrollment in RAC member institutions exceed 70,000 students. (See Appendix I for list of RAC member institutions.) Chartered in 1971 by the Board of Regents of New York State, Rochester Area Colleges was established to encourage and facilitate inter-institutional planning and educational programming.

In the spring of 1977, Rochester Area Colleges received a $5,000 UYA Planning Grant from ACTION. An operational UYA program was funded as of August 1, 1977 providing for 61 volunteer positions annually with a commitment in principle for five years of federal support on a declining formula basis.

The RAC-UYA project is now mid-way in its second operation year. Since September 1977, 120 undergraduate students have enrolled, drawn from six RAC member institutions: the State University of New York at Brockport, the State University of New York at Geneseo, Empire State College of the State University of New York, Monroe Community College, Rochester Institute of Technology and the University of Rochester.

The RAC-UYA project originated in joint staff discussion between central office staff of the State University and the

New York State Division for Youth, the executive agency of the Governor's office with responsibility for youth adjudicated by the courts. The purpose of these staff discussions was to explore the feasibility of developing an experimental UYA project under joint SUNY-DFY sponsorship as a possible service-learning model appropriate for statewide dissemination. Rochester Area Colleges was invited by the original sponsors to plan and develop the initial project on a regional basis.

For the calendar year 1978, the RAC-UYA project generated approximately 700 man-months of volunteer service at a direct cash cost of approximately $300 per man month, including both volunteer stipends and program administration costs. Measured conservatively, these direct costs are a quarter to one-third of the alternative costs the participating agencies would otherwise have incurred in undertaking the new functions and services generated with UYA resources. (An assessment of the benefits of some of these added services are included in the next section of this report.) Approximately two-thirds of the students have worked on projects relating to youth and family services.

The participating community agencies and academic institutions have both recognized from the outset their joint responsibility to institutionalize the project's basic service-learning commitment on a self-sustaining basis. Significant accomplishments in the first eighteen months include:

(1) Enactment of legislation by the Board of Trustees of the State University of New York waiving tuitions for all SUNY students enrolled in UYA and similar programs.

(2) Direct cash contributions of $13,000 from the New York State Division for Youth to support uYA project costs.

(3) Development of special services contract for $3,500 between the RAC-UYA project and the State Division for Youth to support special service projects generated by UYA volunteers.

(4) $2,500 grant from the Research Foundation of the State University of New York to support a series of faculty seminars and workshops focusing on the design of appropriate supportive educational programs consistent with UYA requirements.

(5) Initiation by both SUNY Brockport and SUNY Geneseo of special field seminars and independent study projects for their students enrolled in UYA.

(6) Adoption by the Central Office of the State University of a $30,000 budget request to the Governor and State Legislature to support RAC-UYA project administration costs.

(7) Establishment of a unique "Partners" project between the New York State Division for Youth and Rochester Institute of Technology to provide opportunities for DFY youth to work in the area of visual arts.

(8) Establishment of an on-going RAC-UYA Community Agency Planning Committee to direct the basic service components of the UYA project and to develop alternative funding sources to replace federal monies.

These initial accomplishments provide solid encouragement that as Federal support is diminished and withdrawn the basic concepts of the UYA project will remain an on-going feature of our metropolitan community. The major participating community agencies and academic institutions believe this objective can be accomplished within the five year phase down of federal funding originally projected by ACTION. Because of the value of this project and because of the confidence that the initial institutionalization objectives can be accomplished, we strongly urge Congress to continue to provide funding for University Year for Action programs as part of ACTION's domestic volunteer service efforts.

PART II

SERVICE BENEFITS

A. New York State Division for Youth

B. Hillside Children's Center

NEW YORK STATE DIVISION FOR YOUTH
UNIVERSITY YEAR FOR ACTION PROJECT

Since 1975, the New York State Division for Youth has been working towards a set of goals and objectives which has included the prevention of delinquency, the protection of the community and the rehabilitation of youth. This mission directs the Division to pursue its activities in the larger context of community organization, and community development, especially in areas where the majority of youth placed with the Division come from. In addition, the Division has identified the need to develop increasingly programs and services within communities which results in direct, timely and effective services to youth in our care. Although the prevention, rehabilitation, and the protection of the community are indeed central concerns of the Division, they are in themselves too general and broad to compromise meaningful goals towards which the Division programs and activities might be directed. Furthermore, juvenile delinquency, the increasing number of young runaways, poor schooling and other problems confronting the Division are themselves complex products of adverse economic development, family breakdown, and a host of other factors that are far beyond the potential influence of the programs traditionally operated by the Division. In fact, many of the aforementioned problems may indeed be fundamentally intractable in the face of governmental intervention at most levels of the federal or state system. Nevertheless, there are a number of very specific ways in which the Division has and hopefully will continue to make a significant contribution to the prevention of delinquency, the protection of the community, and the rehabilitation of delinquents.

The implementation of the University Year For Action program has been one of the most significant and effective service delivery models for providing alternative services to troubled youth who, in the experience of the Division, have come primarily from low socioeconomic communities, families, and/or systems. The availability of this manpower source of staff, willing and mandated to provide creative alternatives to institutionalization and/or removal of a youth from the community has resulted in the significant decline of service gaps within the Division's target district. This increase in the number and variety of services has resulted in lowering the recidivism rates of youth from the target community, the shortened stay of youth in our detention center, and the increase in the numbers of youth returning to school after describing themselves as dropouts.

Lastly, the UYA project has dramatically increased the collaborative efforts between this juvenile justice agency, and the local state and private universities, as well as private child care agencies, in providing realistic alternatives to incarceration. In addition, in those instances where youth had to be removed from their community, the UYA project has provided a vital linkage between the youth and his community, as well as the quality of the program offered in the institution through the utilization of UYA participants as community links, and/or as staff persons to alernative, or previously non-existing programs at the facility level.

The University Year For Action program continues to provide a vital link between the New York State Division for Youth and the largely urban, poor and disenfranchised communities in which this agency must have successful relationships in order to be effective in impacting the problems of youth which often are symptomatic of community dysfunction. The University Year For Action program provides the vital day-day linkage between colleges and universities to youth who because of socioeconomic status, race, or history are often blocked from access to the tremendous resources available on our campuses. The University Year For Action program provides the manpower resource, and range of supervision enabling the Division for Youth to more quickly and effectively deinstitutionalize youth adjudicated Person In Need Of Supervision from our institution; in addition, it provides this agency with the ability to maintain in the community youth adjudicated as Juvenile Delinquents who may appropriately remain in the community. The University Year For Action program provides an alternative to the often drab programming available to youth who must be programmed in our institutions.

The following programs are examples of creative community/agency collaboration which have resulted from the University Year For Action program implemented in Rochester, New York:

a) Partners Project - A program utilizing college faculty and students concentrating in the arts to teach and motivate youth with significant delinquency or mental health problems skills in such areas as audiovisual, film making, photography, sculpture, etc.

b) DFY Services program - A program utilizing UYA volunteers to monitor and provide services to youth with significant acting-out histories enabling them to remain in the community as an alternative to institutionalization or detention.

c) Specialized Foster Care - A program utilizing UYA volunteers to develop foster care programs within the youth's own community. The UYA volunteers also serve as community organizers to advocate and broker for services for these youth in the community. Youth in these programs are youth who would normally be institutionalized without the intensive supervision, services and advocacy from the UYA volunteer.

d) Court Liaison Project - The UYA volunteers play a crucial role in interpreting to the youth, his family, and concerned community representatives the process by which a youth is adjudicated, and programmed after arrest. They also provide a crucial relationship for the youth within the often confusing and depersonalized process from adjudication to placement.

e) DFY Community Organizers - The UYA volunteers provide community organization and development services in rural areas to maximize their ability to provide services to acting-out youth from their community. This function is provided through their functioning as advocates for program development, coordinators of community meetings, program developers, etc.

While the above are representative samples of the benefits derived to this agency by the UYA programs, the flexibility, vitality, and strength brought by these programs and others not described here have provided the best promise for accomplishing our objectives of de-institutionalization, prevention, rehabilitation and protection of the community.

We must consider seriously the question of institutionalizing the UYA program as a means of accomplishing permanent changes in the service delivery system to communities and to troubled youth who come to us from predominately poor, disorganized, and troubled environments.

The University Year For Action program has been a proven model in accomplishing this aim.

CHO/ia
typed: 2/2/79

Clayton Osborne,
Western District Director
New York State Division for Youth

Hillside Children's Center

1183 Monroe Avenue
Rochester, New York 14620
(716) 473-5150

UNIVERSITY YEAR FOR ACTION PROGRAM

Statement of Purpose:

The purpose of this presentation is to document and share the experience of our agency as a participant in the UYA program administered by the Rochester Area Colleges.

We believe this program has offered innovative and substantive direct service and assistance to youth and families at the poverty level residing within our urban community. The UYA projects have also served as a catalyst for the establishment and staffing of new programs as ongoing service components of the agency.

The Agency:

Hillside Children's Center is a private nonprofit agency offering comprehensive preventive, day care, residential treatment, community based group care, adoption, special education, emergency facilities, and after care services to youth from 7-17 and their families. The vast majority of the clients served are at the poverty and low income levels, receiving public assistance.

Hillside has been a placement site with the UYA program since it was initiated in Rochester, New York in September of 1977.

UYA Projects:

UYA volunteers have been involved in several new and extended projects serving the poverty youth and families in the following areas:

(1) Intensive family support services to children and families to prevent out of home placements of youth in institutional settings. Efforts involve utilizing community resources to assist families.

(2) Development of a pre-vocational and job training program for poverty youth providing job sites and employment/career counseling and related educational training.

(3) An itinerate educational resource program to enable children placed in institutional settings to be placed and sustained in a variety of selected community school settings.

(4) Direct services to children in placement and their families to expedite the return of children to family life. Intensive efforts are made in the homes of these poverty youth to help develop homemaking, parenting and living skills and use community resources to strengthen and sustain family members' functioning.

(5) Development and refinement of an extended volunteer program to assist youth and involve poverty level clients in meaningful volunteer efforts.

(6) Individualized and small group programs to help economically, culturally, and socially deprived youngsters develop capacities to explore, appreciate, and utilize recreational, cultural, and socializing activities.

UYA Volunteer Performance:

The UYA Volunteers have performed very energetically and effectively in meeting the stated objectives of their projects in serving the economically deprived.

(1) Volunteers have provided direct services to children and families with new and extended programs relating to prevention and rehabilitation. Because of existing fiscal, time, and manpower constraints these innovative and expanded services would not have been possible for the agency to implement. As a result of the professionally guided efforts of the UYA volunteer the new and experimental programs demonstrated their effectiveness in serving the identified needs of the economically deprived and multi-problem families and youth.

In the area of prevention support services, with selected families where youth were at risk remaining in the home, volunteers helped sustain and strengthen family functioning and avert the placement of children.

Special services to children in the institution and their families have shortened the length of stay and have facilitated the return of children to community schools and families or less restrictive placements.

The UYA programs have generally contributed also to the enrichment and intensity of service delivery and the capacity of the agency to offer alternative approaches and programs.

(2) As these new programs demonstrate their value and effectiveness several have been incorporated or extended, funded, and staffed as established and ongoing components of the Agency's service delivery system.

Specifically extended funding has been obtained for the pre-vocational work experience program, and for additional social work staffing to work with youth and families in programs where UYA volunteers were active. The agency hopes in the near future to implement a full time itinerate resource position. During the past year the recreation therapist staffing has been increased, and we have added a volunteer coordinator.

(3) The UYA program has been helpful in extending the outreach and impact of the agency in providing services for the economically deprived within the broader community setting. In the area of private business enterprises, youth employment sites were recruited and developed. People from private enterprise involved with the program serve on an advisory committee and have been active supporters of the program and in recruiting new youth employers. Efforts were made to sensitize the employers as to the special needs of our youth. The itinerate resource school program will offer new opportunities for more youth to make use of community wide educational programs. The volunteer program will also assist in maintaining community involvement and interaction with clients.

UYA Program:

The administration and implementation of the UYA program in Rochester has been highly responsive and effective. It is evident that considerable effort and expertise goes into the selection, orientation, and ongoing field supervision of the volunteers and overall management of the program.

The particular design of the UYA program also contributes strongly to its effectiveness. The full time service of the volunteer for the one year period allows for both continuity and intensity of services and the capability of planning, implementing, and assessing a realistic and substantive program. The extent, and intent, of the involvement and committment of the agency and volunteer provides for a strong service component and sufficient time to demonstrate the value and impact of innovative and purposeful programs and their effectiveness in achieving objectives. With this intensive and extended committment, the volunteer is able to develop professional expertise as a helping agent.

UYA and the Community:

Through the initiatives of the Rochester area UYA, a formal committee was formed in October, 1978 comprised of representatives from private and public human service agencies working with poverty level families and youth. The committee, recognizing the demonstrated value of the services of the UYA volunteers in both service delivery and new and refined program development, identified specific tasks and objectives to support and extend the UYA to further impact on a community wide basis [illegible].

[illegible] efforts of these [illegible] developed to address particular issues and to further mobilize and organize community resources to assist in further actualizing and perpetuating the purpose and objectives of the Action program.

Attention and efforts are being addressed to such areas as seeking permanent funding for the project, and developing special training programs to enhance the technical expertise and attitudes of volunteers in working with the economically deprived.

Agencies have also been invited to explore the feasibility of involvement in the screening, placement and subsequent employment of volunteers for human service careers. Approaches are planned to educational institutions to work in closer collaboration with service agencies in understanding and servicing the special needs of our poverty level clients.

Summary:

Since September 1977 the UYA program has brought to the Rochester area a new and exciting dimension for positive and effective involvement for public service to persons at the poverty level.

During its relatively brief existence the program was instrumental in providing comprehensive, innovative and extended programs and alternative services administered through existing agencies.

Through the demonstrated successful implementation and positive evaluation of these services new programs are subsequently being funded and staffed as part of a broader and extended service delivery provided to clients.

The program has been a catalyst in facilitating collaborative community efforts, represented by the public and private sectors, to plan, advocate, and implement more effective service systems and self-help programs for the economically deprived.

While the demonstrated accomplishments of the program to date have been impressive, the future opportunities are most promising. The potential ultimate benefits and goals would seem to far outreach the original mandate of the program.

Harry Lang, ACSW
Assistant Executive Director

PART III

ACADEMIC SUPPORT

Rochester Area Colleges, Inc.
FIFTY WEST MAIN STREET
ROCHESTER, NEW YORK 14614
AREA CODE: (716) [illegible]

January 31, 1979

Senator Alan Cranston, Chairman
Subcommittee on Child and Human Development
Human Resources Committee
Room 4230
Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Cranston:

As the Presidents of two of the State University Colleges directly involved in the Rochester Area Colleges' University Year for Action program, we would like to express our strong support for the continuation of UYA as a component of ACTION's domestic volunteer services program.

The program operated by Rochester Area Colleges originated in 1977 as a result of joint discussions initiated by Dr. Ernest Boyer, then Chancellor of the State University of New York, and Mr. Peter Edelman, the Director of the New York State Division for Youth. Rochester Area Colleges, a consortium of sixteen public and independent institutions of higher education, was chosen to plan and administer the UYA program as a possible model service learning program for state wide replication with potential for providing valuable community services and extending the collaboration of the State University and the operational agencies of state government.

Six Rochester Area Colleges' member institutions are currently participating in the project with the greater majority of students coming from our two SUNY campuses. In the eighteen months since the beginning of the operations project, a total of 120 undergraduate students have enrolled. Volunteers are currently serving in fourteen community agencies in the metropolitan Rochester and Genesee Valley area. The majority of these students have been liberal arts majors, principally in the social sciences. In addition to its substantial service benefits, the UYA experience has provided our students with a valuable opportunity to test their academic interest and skills and to relate theory to practice in the exploration of possible career directions.

Alfred University
Colgate Rochester/Bexley/Crozer
Community College of the Finger Lakes
Eisenhower College
Empire State College

Hobart and William Smith Colleges
Keuka College
Monroe Community College
Nazareth College of Rochester
Roberts Wesleyan College
Rochester Institute of Technology

St. John Fisher College
State University College at Brockport
State University College at Geneseo
University of Rochester
Wells College

Our two campuses are strongly committed to the fundamental service objectives of the University Year for Action program and in cooperation with Rochester Area Colleges and participating community agency personnel have continued to work together in innovative ways on the development of alternative funding sources, on strengthening student placement mechanisms and on providing appropriate supportive educational programs specifically tailored to the needs of the UYA student. In addition, the new Chancellor of the State University of New York, Dr. Clifton R. Wharton, Jr., has expressed strong support for the UYA program as a mechanism for strenthening SUNY's community service objectives. As a tangible expression of this support, Chancellor Wharton has included in his proposed budget additional allocations of $15,000 to each of our institutions as contributions to the costs of program administration by Rochester Area Colleges. By action of the Board of Trustees of the State University of New York, all UYA students also receive tuition scholarships.

Each of our campuses has, in turn, devoted significant amounts of administrative and instructional time to the advisement of interested students and the careful development of academic programs designed specifically to meet the needs of UYA students. Of particular importance has been the need to find ways to integrate field-based experience with the theoretical orientation of the classroom so that both kinds of learning are enriched. SUNY Geneseo and SUNY Brockport have each freed faculty resources for the planning, development and instruction of weekly required evening seminars which focus on basic constructs from the social science disciplines to illuminate that necessary connection between theory and practice.

Participating social service agencies - presently totalling fourteen - are well aware of the considerable benefits they are realizing from the presence of intelligent, highly motivated volunteers who are theirs for a full year to train and use to diversify and enrich their services. The New York State Division for Youth has allocated $13,000 toward the project costs in an effort to help offset the effects of the declining federal grant. Participating private social service agencies are working jointly to investigate funding sources and budgetary arrangements which will allow them to contribute as well.

After eighteen months of operation, the RAC-UYA program can be described in terms of some very specific outcomes. Fourteen Rochester area social service agencies have made highly productive use of a total of 120 volunteers. Some students have served as counselors for troubled adolescents, often working in close conjunction with psychologists, educators, the courts and the variety of agencies called on to provide services to youth. Others have helped develop new recreational programs for the retarded and worked to launch and operate a nursing home ombudsman program. Several students have been trained by the local legal assistance agency to serve as para-legals for cases involving such problems as unemployment insurance, social security and housing code enforcement. Others have worked in a hospital setting on the development of several services to low income patients which were beyond the capacity of the hospital to fund. Included have been an extensive follow-up survey on patients receiving physical therapy; the development of a new dietary education program aimed at the elderly; and the creation of a completely new position as an emergency room social worker (a role which became so important to the functioning of the emergency department that funds have been found to make it a permanent, paid position).

A field study undertaken as doctoral research at the University of Rochester has examined the effect of the UYA experience on student attitudes toward education. Findings support the conclusion that this form of experiential learning for liberal arts students results in substantial increases in clarity of individual educational goals and in interest in further education.

The terms of the federal mandate have provided a useful framework within which to structure a program that is responsive to the needs of social service agencies and also consonant with the growing concerns of liberal arts undergraduates about their own future direction. Project staff work closely with agencies on the development of specific work plans with measurable goals and objectives. Also of critical importance to the success of individual student placements is the regular and thorough monitoring by project staff to insure that students and agencies are meeting their joint obligations.

The Rochester area colleges participating in the project accept the terms of the ACTION grant which place full-time community service as the central responsibility of all participants. Along with social service agencies and state level SUNY administration, they are developing mutually helpful responses to this mandate and searching for ways in which this approach to service learning can become locally self sustaining.

One initiative of local SUNY campuses has been the development of a series of faculty-agency seminars, during which faculty from the social sciences and agency professionals with principal responsibility for UYA volunteers are consulting about the best ways to integrate field-based learnings with the disciplines.

The requirement of full-time service for a full year is demanding and insures that volunteers make a major commitment of their resources to community service. The integrative seminars which help students link theory to practice are scheduled so as not to interfere with that primary commitment. Given the considerable in-service training capacities of participating agencies and the growth exhibitied by past and present RAC-UYA volunteers, the program appears to be fully justifiable in terms of educational value.

As the Presidents of the two SUNY institutions most active in the Rochester Area Colleges-University Year for Action project, we are impressed with the quality of agency support and of student learning and growth. We are most anxious to see ACTION honor its five year commitment to this unique approach to community service. We are convinced this conjunction of service and learning can be of increased importance to our institutions if we can continue to build on the existing RAC-UYA model.

Sincerely yours,

Albert Brown

Dr. Albert Brown, President
State University College
at Brockport
Brockport, New York

Dr. Robert MacVittie, President
State University College
at Geneseo
Geneseo, New York

PART IV

RECOMMENDATIONS

306

PART IV

RECOMMENDATIONS

These recommendations, focusing on both the legislative and adminstrative framework for University Year for Action, reflect our collective experience as representatives of the principal community agencies and academic institutions participating in the RAC-UYA project. We urge Congress to continue to provide for the future of the University Year for Action Program and would welcome the opportunity to discuss these and any other matters with interested Congressional or ACTION staff.

Recommendation 1. Maintain existing UYA service priorities.

A number of current UYA requirements are designed to prevent the subordination of UYA service benefits to academic interests and requirements. On most college campuses, numerous opportunities already exist for limited forms of experience based learning, either as components of various career education programs, such as social work or criminal justice, or as expressions of individual or faculty interest.

From a community perspective, the distinguishing strength of the UYA model is the clear subordination of the student's formal educational activities to his service obligations. We believe that substantial alteration of this relationship would weaken the value of UYA as a service resource. Our experience has demonstrated, moreover, that this subordination of formal educational activities does not impair student learning and growth.

The full-time, year long enrollment requirement makes it attractive for the participating agencies to make substantial initial investment in the development of the volunteer's professional capabilities. Unlike other student volunteers who have more limited field commitment and who are frequently used for little more than routine clerical or chore work, UYA students become valuable resources for changing agency missions, operations and service. Diluting the service requirements by permitting part-time or short term participation (i.e., less than a full calendar or academic year) would also dilute the value of UYA to those agencies which have made the most imaginative and creative use of UYA resources and have the strongest commitments to eventual institutionalization of the RAC-UYA project.

Recommendation II Modification of VISTA Requirements for Eligible Community Projects

The use of UYA volunteers to perform the routine or existing functions of participating community agencies scarcely warrants support with limited federal resources. ACTION guidelines, however, appear to frown upon innovative service delivery projects which can generate valuable benefits even though they are not premised on strategies of grassroots community organization and mobilization.

The dominant volunteer interests, moreover, focus on projects which will provide opportunities to develop marketable job skills as well as to apply abstract learning to real life challenges.

Recommendation II (Continued)

The development of community based diversion or rehabilitation programs for delinquent youth can be as socially beneficial as well as educationally rewarding as organizing a food coop or a tenants' union.

In sum, both in terms of the social and educational values, equal weight should be given to community agency projects which propose to accomplish significant changes in service delivery availability.

Recommendation III Retain and Strengthen Institutionalization Requirements

The objectives of UYA are three-fold: (1) to achieve permanent improvements for low income people through the use of UYA volunteer resources; (2) to broaden the availability of general university resources to the low income community; and, (3) to develop alternative resources to sustain the programs and relations originally nurtured with ACTION resources. Viewed in this context, federal support should be considered as transitional seed money to facilitate accomplishment of these principal institutionalization objectives.

We strongly endorse the retention of these UYA requirements and urge that they be used as the principal criteria for funding decisions. ACTION resources should not be considered a permanent source of operating revenues. The principal academic institutions and community agencies participating in the RAC-UYA

Recommendation III (Continued)

project from the outset recognized that their participation also generated significant responsibilities. We believe that institutionalization requirements are reasonable within the existing 5 year span of declining federal support.

Recommendation IV Clarification of UYA Volunteer Benefit Eligibility

Section 404 (g) of the Domestic Volunteer Services Act of 1973 (P.L. 93-113) stipulates that any payments received by volunteers under that act shall not in any way reduce or eliminate the level of eligibility for assistance or services any volunteers may be receiving under any government program.

The Office of Education, Region II, contends that this language does not include programs of student assistance administered by the Office of Education.

This narrow interpretation of the scope of exclusion provided for in the Domestic Volunteer Service Act has had two principal adverse effects. First, students have been discouraged from entering the UYA program because the prospective loss of student assistance benefits. Thus, the greater the private financial resources of an individual student, the greater the financial benefit of enrolling in UYA. This tends to discourage the kind of socio-economic mix we would like to have among the students participating in our project.

Second, when the original planning for the UYA project was undertaken in Albany, it was anticipated that College Work Study funds would gradually be tapped to support volunteer

Recommendation IV (Continued)

stipends to offset declining ACTION resources. The tuition waiver received by each SUNY volunteer, combined with the UYA volunteer stipend, have virtually eliminated College Work Study funds as a partial source of UYA student support.

While we are sensitive to the problems of "over benefiting", we urge that Congress clarify the meaning of the language contained in the Domestic Volunteer Service Act and give serious consideration to include eligibility for College Work Study Funds under the definition of "any government program".

* * *

In conclusion, we submit these recommendations with the hope that Congress will not permit the total and immediate elimination of all ACTION support for the University Year for Action programs. At a minimum, the formula for five year ACTION support for current projects should be respected. With proper interest and leadership, moreover, we believe that, as a national program, UYA can continue to be a valuable component of the federal government's domestic service volunteer programs.

We thank the members of the Committee for their interest and attention.

Appendix 1

ROCHESTER AREA COLLEGES, INC.
50 West Main Street
Rochester, NY 146[illegible]

Alfred University,
Alfred, New York

Colgate Rochester Divinity School
Bexley Hall-Crozer Theological Seminary
Rochester, New York

Community College of the Finger Lakes
Canandaigua, New York

Eisenhower College
Seneca Falls, New York

Hobart & William Smith Colleges
Geneva, New York

Keuka College,
Keuka Park, New York

Monroe Community College
Rochester, New York

Nazareth College of Rochester
Rochester, New York

Roberts Wesleyan College
North Chili, New York

Rochester Institutite of Technology
National Technical Institute for the Deaf
Rochester, New York

St Bernard's Seminary
Rochester, New York

St. John Fisher College
Rochester, New York

State University of New York
College at Brockport
Brockport, New York

State University of New York
College at Geneseo
Geneseo, New York

State University of New York
Empire State College
Genesee Valley Learning Center
Rochester, New York
University of Rochester
Rochester, New York

Wells College
Aurora, New York

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
REGION II
FEDERAL BUILDING
26 FEDERAL PLAZA
NEW YORK, NEW YORK 10007

June 26, 1978

OFFICE OF EDUCATION

Mr. Christopher Lindley
Project Director
Rochester Area Colleges, Inc.
Fifty West Main Street
Rochester, New York 14614

Dear Mr. Lindley:

Reference is made to your May 8, 1978 memo to Mr. Steve Obus, HEW Assistant Regional Attorney, requesting a legal interpretation concerning UYA allowances on volunteers eligibility for various student financial aid programs.

P.L. 93-113 establishes domestic volunteer services administered by the ACTION Agency. The UYA program is set forth in Title I, Part B of the Act. Part A concerns the VISTA program. Title II establishes National Older American Volunteer Programs. Title III establishes the SCORE and ACE programs. Title IV concerns administration and coordination. Title IV, S404(g) states:

> "Notwithstanding any other provision of law except as may be provided expressly in limitation of this subsection, payments to volunteers under this chapter shall not in any way reduce or eliminate the level of or eligibility for assistance or services any such volunteers may be receiving under any governmental program." 42 USC S5044(g).

By its placement in Title IV, the above-quoted provision apparently applies to volunteers enrolled in the programs in the preceding titles of the Act.

Stipends to UYA volunteers are paid under authority of 42 USC S4972 which provides that UYA volunteers may receive stipends equal to those provided to VISTA volunteers under 42 USC S4955, except that

> "the Director may, in accordance with regulations he shall prescribe, determine to reduce or eliminate the stipend for volunteers serving under this part on the basis of the value of benefits provided such volunteers by the institution in question (including the reduction or waiver of tuition)." 42 USC S4972

We have been advised by the ACTION Agency that stipends paid to UYA volunteers are for food and lodging.

The Federal Student Financial Aid programs provide financial assistance to students formulated strictly on the basis of the actual cost of attendance at the institution less the resources available to the student. The actual cost of attendance includes food, lodging (or reasonable commuting expenses) 42 USC S1070a(a) (2) (B) (iv); 45 CFR S190.51. The specific issue involved can be stated: If a student is receiving a food and lodging stipend from UYA funds, was it the intention of Congress in enacting Section 404(g) to allow the student to receive a duplicate food and lodging allowance as part of student financial aid paid out of HEW funds? We do not believe this result was intended by Congress.

In determining the intent of Congress, the specific language used in Section 404(g), other provisions of P.L. 93-113 and the legislative history must be considered. Section 404(g) specifically identifies the assistance or services referred to as

> " . . . assistance or services any such volunteers may be receiving under any governmental program."
> (Emphasis added)

A reasonable interpretation of this language would be that it refers only to benefits the individual was presently receiving under another governmental program at the time he or she enrolled in an ACTION volunteer program, and does not effect governmental programs the volunteer may become eligible for after enrolled as a volunteer. This interpretation is consistent with the terminology in the legislative explanation of this section.

> "Section 404(g) provides that, notwithstanding any other provision of law, payments to any volunteers under the Act shall not in any way reduce or eliminate the level of eligibility for assistance or services these volunteers may be receiving under any other governmental program. This section applies, for instance, to former welfare recipients who may lose Medicaid benefits for their dependants as a result of their VISTA services." 1973 U.S. Code, Congressional & Administrative News, Vol. 2, p. 2218.

In contrast, Congress clearly expressed its intention that stipends paid to certain volunteers, excluding UYA and VISTA, would prospectively not affect other governmental benefits that these volunteers might become eligible for.

> "Notwithstanding any other provision of law, no payment for supportive services or reimbursement of out-of-pocket expenses made to persons serving pursuant to subchapters II and III of this chapter shall be subject to any tax or charge or be treated as wages or compensation for the purposes of unemployment, temporary disability, retirement, public assistance, or similar benefit payments, or minimum wage laws. This section shall become effective with respect to all payments made after October 1, 1973. 42 USC S5058.

Obviously, Congress could have made this provision applicable to Title I volunteers, including UYA, and the fact that this was not done is significant. Also, it is to be noted that stipends paid to VISTA volunteers have been held to be taxable income. Higgins v. U.S., (D.C. Calif. 1972) 31 AFTR 2d 73-366. It can be assumed Congress was aware of this fact at the time P.L. 93-113 was enacted and they did nothing to alter the taxable status of the VISTA stipends.

Admittedly, the explanation contained in the legislative history is sparse, and the terminology of Section 404(g) is "any governmental program", but we think it is not unreasonable to conclude that the governmental programs were intended to comprise social benefit programs such as Medicaid and not governmental programs for student assistance.

In establishing the volunteer program in P.L. 93-113, Congress has, throughout the Act, encouraged donated services. The payment of stipends to volunteers is discretionary and are to be given only when a qualified volunteer could not serve in a program without some limited financial assistance. In the UYA program, there is specific direction that stipends are to be reduced or eliminated if the institution provides benefits to the volunteer, and an institution participating in the UYA program is to stipulate that it

> "will make every effort to . . . (b) waive or otherwise reduce tuition for participants in such program, where such waiver is not prohibited by law; . . . " 42 USC S4973(c) (1).

Assistance given by the institution through Federally-financial student assistance programs would be "benefits provided such Volunteers by the institution." Therefore, if a volunteer enrolling in a UYA program were already receiving financial assistance that included an allowance for food and lodging, the UYA stipend could be eliminated or reduced.

On the other hand, if a student has been granted a UYA stipend for food and lodging and then becomes eligible for a DHEW funded assistance program, the eligibility for financial assistance for actual cost of education would not include food and lodging, as the student does not have an actual "need" for these expenses. (This assumes that the UYA stipend is equal to the amount of allowance for food and lodging allowed under the Federal student assistance programs). With respect to the student, the amount of educational assistance remains the same, but the sources of the total amount would be the ACTION Agency and HEW grants.

Sincerely,

Thomas G. Zaccone
Acting Regional Administrator
Student Financial Assistance

Senator **Cranston**. Thank you. I appreciate your brevity.

Mr. Lang, let me ask you one question. When you started your program, what commitment did you receive from the ACTION Agency concerning the number of years you could expect support?

Mr. **Lang**. We understand it is a 5-year program with a phaseout formula.

Senator **Cranston**. The University of Vermont was unique in its successful efforts to institutionalize the UYA program. What do you think were the factors that enabled you to accomplish institutionalization, and why do you think other UYA grantees were less successful?

Mr. **Woods**. I am sure there is a very complex answer to that.

Part of it was the location administratively within the university, with a cross-section of missions that were a part of that.

The other was working out by evolving staff among UYA programs. We hired to be part of our staff prospectives that help us work out the budget.

Senator **Cranston**. Thank you very much. You have been very helpful. I will submit additional questions to you in writing.

[Senator Cranston's questions and responses and other material supplied follow:]

Rochester Area Colleges, Inc.
FIFTY WEST MAIN STREET
ROCHESTER, NEW YORK 14614
AREA CODE: (716) 454-2386
UYA 716-454-5406

February 14, 1979

Senator Alan Cranston
4230 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Cranston:

Enclosed is the correspondence you requested concerning the interpretation by the Office of Education of subparagraph 404(g) of the Domestic Volunteer Service Act of 1973.

The most important language of the June 26th correspondence is on page 3, paragraph 4, concerning the interpretation of the phrase, "any governmental program", so as to exclude governmental programs of student assistance.

I am also enclosing a copy of my subsequent letter of July 6 as well as the September 8 reply from the Office of Education.

I want you to know how much we appreciated the opportunity to testify before your Subcommittee and the care and attention you personally gave to our concerns.

Sincerely yours,

Ch. L. Lindley

Christopher Lindley,
Project Director

ms

encs.

Alfred University
Colgate Rochester/Bexley/Crozer
Community College of the Finger Lakes
Eisenhower College
Empire State College

Hobart and William Smith Colleges
Keuka College
Monroe Community College
Nazareth College of Rochester
Roberts Wesleyan College
Rochester Institute of Technology

St. John Fisher College
State University College at Brockport
State University College at Geneseo
University of Rochester
Wells College

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
REGION II
FEDERAL BUILDING
26 FEDERAL PLAZA
NEW YORK, NEW YORK 10007

OFFICE OF EDUCATION

June 26, 1978

Mr. Christopher Lindley
Project Director
Rochester Area Colleges, Inc.
Fifty West Main Street
Rochester, New York 14614

Dear Mr. Lindley:

Reference is made to your May 8, 1978 memo to Mr. Steve Obus, HEW Assistant Regional Attorney, requesting a legal interpretation concerning UYA allowances on volunteers eligibility for various student financial aid programs.

P.L. 93-113 establishes domestic volunteer services administered by the ACTION Agency. The UYA program is set forth in Title I, Part B of the Act. Part A concerns the VISTA program. Title II establishes National Older American Volunteer Programs. Title III establishes the SCORE and ACE programs. Title IV concerns administration and coordination. Title IV, S404(g) states:

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By its placement in Title IV, the above-quoted provision apparently applies to volunteers enrolled in the programs in the preceding titles of the Act.

Stipends to UYA volunteers are paid under authority of 42 USC S4972 which provides that UYA volunteers may receive stipends equal to those provided to VISTA volunteers under 42 USC S4955, except that

> "the Director may, in accordance with regulations he shall prescribe, determine to reduce or eliminate the stipend for volunteers serving under this part on the basis of the value of benefits provided such volunteers by the institution in question (including the reduction or waiver of tuition)." 42 USC S4972

We have been advised by the ACTION Agency that stipends paid to UYA volunteers are for food and lodging.

no

The Federal Student Financial Aid programs provide financial assistance to students formulated strictly on the basis of the actual cost of attendance at the institution less the resources available to the student. The actual cost of attendance includes food, lodging (or reasonable commuting expenses) 42 USC S1070a(a) (2) (B) (iv); 45 CFR S190.51. The specific issue involved can be stated: If a student is receiving a food and lodging stipend from UYA funds, was it the intention of Congress in enacting Section 404(g) to allow the student to receive a duplicate food and lodging allowance as part of student financial aid paid out of HEW funds? We do not believe this result was intended by Congress.

In determining the intent of Congress, the specific language used in Section 404(g), other provisions of P.L. 93-113 and the legislative history must be considered. Section 404(g) specifically identifies the assistance or services referred to as

> " . . . assistance or services any such volunteers may be receiving under any governmental program."
> (Emphasis added)

A reasonable interpretation of this language would be that it refers only to benefits the individual was presently receiving under another governmental program at the time he or she enrolled in an ACTION volunteer program, and does not effect governmental programs the volunteer may become eligible for after enrolled as a volunteer. This interpretation is consistent with the terminology in the legislative explanation of this section.

> "Section 404(g) provides that, notwithstanding any other provision of law, payments to any volunteers under the Act shall not in any way reduce or eliminate the level of eligibility for assistance or services these volunteers may be receiving under any other governmental program. This section applies, for instance, to former welfare recipients who may lose Medicaid benefits for their dependants as a result of their VISTA services." 1973 U.S. Code, Congressional & Administrative News, Vol. 2, p. 2218.

In contrast, Congress clearly expressed its intention that stipends paid to certain volunteers, excluding UYA and VISTA, would prospectively not affect other governmental benefits that these volunteers might become eligible for.

> "Notwithstanding any other provision of law, no payment for supportive services or reimbursement of out-of-pocket expenses made to persons serving pursuant to subchapters II and III of this chapter shall be subject to any tax or charge or be treated as wages or compensation for the purposes of unemployment, temporary disability, retirement, public assistance, or similar benefit payments, or minimum wage laws. This section shall become effective with respect to all payments made after October 1, 1973. 42 USC S5058.

Obviously, Congress could have made this provision applicable to Title I volunteers, including UYA, and the fact that this was not done is significant. Also, it is to be noted that stipends paid to VISTA volunteers have been held to be taxable income. Higgins v. U.S., (D.C. Calif. 1972) 51 AFTR 2d 73-366. It can be assumed Congress was aware of this fact at the time P.L. 93-113 was enacted and they did nothing to alter the taxable status of the VISTA stipends.

Admittedly, the explanation contained in the legislative history is sparse, and the terminology of Section 404(g) is "any governmental program", but we think it is not unreasonable to conclude that the governmental programs were intended to comprise social benefit programs such as Medicaid and not governmental programs for student assistance.

In establishing the volunteer program in P.L. 93-113, Congress has, throughout the Act, encouraged donated services. The payment of stipends to volunteers is discretionary and are to be given only when a qualified volunteer could not serve in a program without some limited financial assistance. In the UYA program, there is specific direction that stipends are to be reduced or eliminated if the institution provides benefits to the volunteer, and an institution participating in the UYA program is to stipulate that it

> "will make every effort to . . . (b) waive or otherwise reduce tuition for participants in such program, where such waiver is not prohibited by law; . . . " 42 USC S4973(c) (1).

Assistance given by the institution through Federally-financial student assistance programs would be "benefits provided such Volunteers by the institution." Therefore, if a volunteer enrolling in a UYA program were already receiving financial assistance that included an allowance for food and lodging, the UYA stipend could be eliminated or reduced.

On the other hand, if a student has been granted a UYA stipend for food and lodging and then becomes eligible for a DHEW funded assistance program, the eligibility for financial assistance for actual cost of education would not include food and lodging, as the student does not have an actual "need" for these expenses. (This assumes that the UYA stipend is equal to the amount of allowance for food and lodging allowed under the Federal student assistance programs). With respect to the student, the amount of educational assistance remains the same, but the sources of the total amount would be the ACTION Agency and HEW grants.

Sincerely,

Thomas G. Zaccone
Acting Regional Administrator
Student Financial Assistance

Rochester Area Colleges, Inc.
FIFTY WEST MAIN STREET
ROCHESTER, NEW YORK 14614
AREA CODE: (716) 454-3386

July 6, 1978

Mr. Thomas G. Zaccone
Department of Health, Education and
Welfare, Region II
26 Federal Plaza
New York, New York 10007

Dear Mr. Zaccone:

Thank you for your letter of June 26 concerning the eligibility of our U.Y.A. volunteers for Work Study benefits. Since you were in the field this week, I discussed the matter by phone with Steve Obus. In putting the original questions to him, I apparently did not make clear what we proposed to do and the nature of the issues involved.

Our current U.Y.A. participants receive a stipend of $220.00 per month. This consists of the following components: (1) $120.00 food and lodging, (2) $50.00 personal expenses and, (3) an accrued benefit of $50.00 per month for each month served payable on termination. Therefore, contrary to the statement at the top of page 2 of your letter, stipends paid to U.Y.A. volunteers are not for food and lodging alone, but also include $100.00 in other combined benefits.

Our funding formula from ACTION provides for annual reductions in the per volunteer allocation. In order to avoid cutting student stipends, we hope to use work study money for those students who are eligible to mix with ACTION resources. If this were possible, each volunteer would still receive $220.00 per month in benefits. The only difference would be that some students would receive part of the $220.00 in work study funds and the other part in ACTION resources, while students not eligible for work study funds would be paid $220.00 exclusively from ACTION resources. In sum, there would be no "double dipping" in the sense that a student would be paid work study funds in addition to the full U.Y.A. volunteer stipend. The addition to the total pool of work study funds, however, would enable us to maintain each student benefit package at the current $220.00 per month level. The first question, therefore, is whether this is possible under federal legislation and regulations when there are students participating in the program who are eligible for work study funds?

Alfred University
Colgate Rochester/Bexley/Crozer
Community College of the Finger Lakes
Eisenhower College
Empire State College
Hobart and William Smith Colleges
Keuka College
Monroe Community College
Nazareth College of Rochester
Roberts Wesleyan College
Rochester Institute of Technology
St. John Fisher College
State University College at Brockport
State University College at Geneseo
University of Rochester
Wells College

The second question is whether the prospective U.Y.A. benefits a program volunteer will receive may be used to determine the level of eligibility, if any, for work study funds? We understood that under the language of Section 404 (g) that these U.Y.A. benefits should be excluded in such eligibility determinations. Is this an accurate interpretation of the meaning and application of Section 404 (g)?

Finally, if a student is not currently receiving work study monies, but is determined to be eligible, in the absence of U.Y.A. benefits, should the prospective receipt of such U.Y.A. benefits be calculated to reduce or eliminate this work study eligibility?

I hope this clarifies the matter about which we are concerned. Enclosed you will also find a 1973 memo from ACTION concerning work study funding, particularly the issue I raised in the first question. We would appreciate hearing from you at your earliest convenience.

Sincerely yours,

Christopher Lindley,
Project Director

ms
encs.

xc: David Leven, Monroe County
Legal Assistance Corp.
Frank Rey, ACTION/AEP

Charles

RECEIVED
JUN 29, 1973

Date: June 26, 1973

Reply to attn of: John B. Whitin

Subject: Use of College Work Study Funds

To: UYA Program Directors

A number of questions have been raised by financial aid officers of grantee instiutions concerning college work study regulations and the cost sharing of UYA volunteer payments. Occasionally, these questions have been the cause of some debate with the Regional Offices of the Office of Education. This memorandum is an attempt to reach a uniform understanding of the regulations pertaining to those questions which have arisen most frequently. The questions are as follows:

1. Can work study money be matched with other federal funds from the ACTION agency?
2. Must work study support be limited to 15 hours per week?
3. Can work study support be awarded if academic credit is granted? If yes, what restrictions are there?
4. Who completes the work study contract forms with the university, if ACTION pays the 20% matching money?
5. How are the work study and ACTION funds administered in making payments to UYA volunteers?

Each of these questions have been discussed with the Division of Student Assistance of the U.S. Office of Education. The answers which follow are in conformance with national policies for the college work study program; and have been specifically approved by Hubert S. Shaw, Chief, Program Development Branch.

Question 1:	Can work study money be matched with the federal dollars from the ACTION agency?
Answer :	Yes. Many government agencies have employed students under work study and have paid 20% of the total cost of time worked to the sponsoring university. ACTION has no restriction against the use of its funds for matching the college work study program.

Question 2: Must work study support be limited to 15 hours per week?

Answer : Effective July 1, 1973, the 15-hour limitation for work during periods in which the student's classes are in session is removed. The maximum number of hours the student may work at any time will be forty hours per week. The judgment as to the maximum number of hours any given student may work shall be made by the financial aid officer on the basis of the student's demonstrated need for financial assistance and the effect any given number of hours of work would have on his academic performance. The UYA Program, in which a student works full-time in the community while earning credits toward his degree is considered by the Office of Education as eligible for off-campus CW-S employment.

Question 3: Can work-study support be awarded if academic credit is granted? If yes, what restrictions are there?

Answer : Yes, work study support can be awarded for off-campus assignments for which academic credit is granted. The regulations prohibit on campus work for academic credit.

Question 4: Who completes work study contract forms with the university, if ACTION pays the 20% share?

Answer : The local sponsoring agency, supervising the UYA volunteers, completes contract forms and submits time reports for hours worked. The ACTION contribution of 20% is made on behalf of the local agency, through the university's internal bookkeeping system.

Question 5: How are work study and ACTION funds administered in making payments to UYA volunteers?

Answer : There are three principle models for managing the cost shared volunteer payments using ACTION and w/s funds. The models center about where payroll responsibility is placed - e.g., with the university, with ACTION or with both.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
REGION II
FEDERAL BUILDING
26 FEDERAL PLAZA
NEW YORK, NEW YORK [illegible]

September 8, 1978

OFFICE OF EDUCATION

Mr. Christopher Lindley
Rochester Area Colleges, Inc.
Fifty West Main Street
Rochester, New York 14614

Dear Mr. Lindley:

Reference is made to your July 6, 1978 follow-up memo concerning the question of UYA volunteers.

We have again consulted with our Regional Attorney, regarding your question and have received from him the following legal interpretation.

"We agree that a student may qualify for both UYA and CWS funds if he/she is needy and the combined funds do not exceed such student's need. We disagree, however, with the contention that subparagraph 404(g) of the Domestic Volunteer Service Act of 1973 requires that UYA benefits be excluded from consideration when determining CWS eligibility. The opinion furnished by the Education Division of the Office of General Counsel, which was forwarded to you on May 23, 1978, concludes that the phrase 'any governmental program' in subparagraph 404(g) was not intended to include programs for student assistance, and that UYA funds may thus be taken into account when determining CWS eligibility to the extent such funds meet a student's financial need. While the contrary position is certainly arguable, the above position is the one which has been consistently taken by the Department. This being the case, we must also conclude that the prospective receipt of UYA benefits may be calculated to reduce or eliminate CWS eligibility just as might be done with the prospective receipt of any other benefits."

If you have any further questions, please feel free to contact this office.

Sincerely,

Thomas Zaccone
Assistant Regional Administrator

Hillside Children's Center

1183 Monroe Avenue
Rochester, New York 14620
(716) 473-5150

James W. Cotter ACSW
Executive Director

March 22, 1979

Senator Alan Cranston, Chairman
Subcommittee on Child and
Human Development
4230 Dirksen Senate Office Building
Washington, D.C. 20510

Attention: Mary Lopatto

Dear Senator Cranston:

Thank you for your letter of March 12th and the enclosed questions which you were unable to ask at the February 8th hearing.

In consultation with the RAC-UYA project staff, I am happy to provide the attached materials with respect to your concerns.

Again, I wish you to know how much we appreciate your interest in the University Year for Action program which has been so beneficial to so many of us in the metropolitan Rochester area.

Sincerely,

Harry Lang

Harry Lang, ACSW
Assistant Executive Director

Enclosures

1. RESPONSE TO SAM BROWN'S COMMENTS

a) Inflexibility of the twelve-month compared to the nine-month educational year

Although the academic institutions participating in the UYA programs generally observe a nine month academic calendar, key administrative personnel are generally on a twelve month calendar. While credit earned by participating UYA volunteers is limited to the fall and spring semesters, the availability of key administrative personnel has ensured appropriate continuing accomodation and participation. The major exception is Empire State College which is on a full eleven month academic calendar and which is becoming an increasingly more important institutions in the RAC-UYA program.

b) Institutionalization after three years of a grant

Our understanding was that federal funding would normally be available on a declining basis for five years. We have been pleased with our success so far in planning for phased-in non-federal assumption of program costs and are optimistic about the future.

c) Prohibition of attendance at classes during the student's year as a volunteer

This requirement is an essential part of the primacy of the volunteer's commitment to his service project and any significant modification would erode one of the strongest values of the program from the stand point of the participating community agencies.

To accomodate this requirement, the two major participating institutions in the RAC-UYA program - the State University of New York at Geneseo and the State University of New York at Brockport- have each designed special coordinated field work seminars specifically for the UYA volunteers. These courses are taught off-campus at a time that does not conflict with the predictable work hours of the volunteers and faculty clearly understands that some flexibility with respect to attendance will be necessary in order for the students to fulfill their field service commitments. I believe the letters enclosed in our original testimony from the presidents of these institutions indicate the academic acceptability of this prohibition on conventional on-campus courses and the feasibility of working around this requirement provided there is strong institutional commitment and support.

Because of the free cross-registration program among Rochester Area Colleges member institutions, these special UYA field seminars are also available to UYA students normally enrolled in institutions other than Geneseo and Brockport.

d) Decreasing acceptability of the work experience as a full equivalent of a year's college study

Our experience has indicated an increasing rather than decreasing acceptability. At the outset of our program, only two member institutions chose to participate. In the intervening months, this has been expanded to seven. Most of the students earn a minimum of 24 credit hours for the fall and spring semester and have the option of picking up an additional three to six credits for Independent Study or research projects. We have been particularly encouraged in the second year by the growing support for the program among the academic faculties who are traditionally quite protective of the quality of academic credit eligibility.

e) Problem of adequate level of funding per volunteer

Most of the UYA volunteers are students in various units of the State University of New York and, as a result of legislature passed by the State University Board of Trustees, receive a full tuition waiver in addition to the volunteer stipend of $220 per month. When measured against the compensation received by other staff members in the agencies in which the volunteers are working, this package of benefits might seem quite meager and inadequate but, when measured against costs of earning a full year's academic credit through normal on-campus academic programs, the combined stipend and tuition waiver can be very attractive indeed.

I would call your attention again, however, to the difficulties we have had with respect to the Department of Health, Education and Welfare's interpretation of the Domestic Volunteer Service Act and the impact of the receipt of UYA benefits on students' eligibility for other forms of assistance. This is a much more significant problem especially if we are to achieve the kind of socio-economic diversity we would like to have among our UYA volunteers.

2. OTHER CONCERNS

a) Nine month vs. twelve month program

One of the attractions of the UYA program to participating agencies is the length of the volunteers' service. The expectation of a full twelve months of service makes it attractive for the participating agencies to make a substantial front-end investment in the volunteers' job capabilities.

At the same time, there are no penalties imposed on students who disenroll prematurely and a substantial number do not complete the full twelve month commitment. We would support retention of the basic concept of a full twelve months of service in order to maximize the value of the volunteers' service to the participating agencies. We also recognize that in some cases this is not realistic and we must be prepared at all times to make appropriate adjustments.

b) Impact of nine months service on poverty clients

Early disenrollment has posed difficulties in terms of service continuity and a nine months policy would diminish UYA's service benefits.

The University of Vermont
A CENTER FOR SERVICE LEARNING, MANSFIELD HOUSE
26 COLCHESTER AVENUE, BURLINGTON, VERMONT 05401

UNIVERSITY YEAR FOR ACTION
SERVICE-LEARNING INTERNSHIPS
VOLUNTEER PROGRAMS

23 March 1979

The Honorable Alan Cranston
Chairman, Subcommittee on Child
  and Human Development
Human Resources Committee
Room 4230
Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Cranston:

I am most happy to respond to your questions related to UYA. I would like to respond to Sam Brown's statement line by line to add a larger perspective on each of the points. I also want to acknowledge that these comments are offered in a constructive spirit as "opportunities for improvement" of an excellent program idea. In light of the growing interest in National Service the whole discussion of service-learning and UYA becomes more significant.

By way of introduction I want to stress again our desire for a separation of NSVP funding from dependency upon UYA. If we achieve a strong NSVP with a legislative mandate there will be fresh new leadership for UYA. Without this mandate and NSVP leadership I don't see how UYA can succeed.

Now for my comments on Sam's points.

1. "PROBLEMS RELATING TO EDUCATIONAL INSTITUTIONS THEMSELVES."

   This is an accurate perception. I believe there is a need for a program development approach and that ACTION should conceive the UYA program in such a way as to elicit the excitement and involvement of the educational community.

   In my written testimony I referred to a "grants management" approach. Each of the remaining points in Sam Brown's remarks reflects grants management details primarily. The real failure has been at the level of imagination and leadership in evoking the creative potential of educators in assisting ACTION to create a workable program model.

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Since Jerry Brady left as Director of UYA in approximately 1973, the UYA program has been decentralized to the regions (where there was no support system for service-learning), and a process of overregulation and mismanagement begun which has very nearly destroyed the program.

The grants management approach did not involve the educational community in creating innovative approaches to mesh both ACTION's service and the educational institutions' educational missions.

The problems in relating to the educational institutions accrued primarily because ACTION UYA staff failed to take advantage of what UYA program directors, faculty and community members were learning about the program and how to operate it.

Each UYA program director had to create the UYA program entirely on his own without the advantage of anyone elses experience. This is a fundamental failure of ACTION UYA staff approach and the reason for my recommendation that NSVP be mandated to operate UYA.

The reduction of the grant period from five years to three years was catastrophic, as the complexity of UYA was beyond the ability of an individual program director to institutionalize in such a brief period.

By not having a national ACTION UYA staff attuned to learning from the program director's experience, and by concentrating on a grants management approach, UYA has remained a potential rather than actual, success.

A creative, involving approach to UYA would result in significant innovation and improvement. But the trust of the institutions must be generated via involvement and participation. UYA staff focused more on compliance with a cumbersome and seemingly endless regulatory process rather than program development.

UYA represents an opportunity to build a bridge between universities and poverty communities. ACTION staff began regulating traffic and flashing stop signs before the bridge was even built. And there were no clear plans either for the structure of the bridge or for where it would be connected in university or community.

Thus most UYA programs have disappeared from the landscape. What is needed is a blueprint, developed by successful UYA program directors, of how this bridge can be built.

Paragraph 26, page 23 of the UYA Operations Handbook for Sponsors (#3460.25) entitled "Technical Assistance - Service-Learning" states.

> "a. Service-Learning, a kind of experiential education, is an area where there is a general lack of expertise at this time. UYA is in part designed to develop this expertise.
>
> b. Although ACTION as a program oriented agency does not have the capability of providing serious long range studies or investigations, ACTION staff has developed some experience which, combined with the experience of the staff of the various UYA projects, is one of the largest reservoirs of experience with common program assumptions that exist in the field of experiential education."

This admission of lack of "expertise" and subsequent inattention to developing it by ACTION UYA staff is at the heart of the problem. ACTION developed no process for utilizing this "largest reservoir of experience with common program assumptions," in the training of new UYA project directors or in building the body of knowledge or expertise regarding service-learning.

By providing no resources or direction regarding service-learning methodology or institutionalization and focusing on regulations (the UYA Operations Handbook is among the least informative, as to service-learning methodology, of governmental publications) and by not involving experienced educators in program development, it is no wonder that Sam Brown would refer to problems in "relating to educational institutions themselves."

By contrast is NSVP's National Forum on Service-Learning held last week in Washington. NSVP involved educators in exploring the philosophical and programmatic framework for meaningful integration of service and learning. The Forum was a monumental success. There were innumerable conceptual and programmatic developments that could be used to define the blueprint for a newly conceived UYA program that would be built upon the significant service-learning expertise developed in the past ten years.

This blueprint must be conceived and a process for training (involving program directors in the training so that there is a peer support process of program development) enacted so that all factors related to building the service-learning bridge between given institutions and communities can be integrated. An effective and imaginative UYA program leadership could result in the creation of a network of effective service-learning programs using UYA resources in communities across this country.

2. "INFLEXIBILITY OF TWELVE MONTH COMPARED TO NINE MONTH EDUCATIONAL YEAR."

If the grant is awarded to an academic department on a nine month schedule this is a difficult issue. If it is awarded to an administrative department with a twelve month work schedule I don't see a problem. Most students are willing to serve for a year. Most agencies see the benefit of a full year of service for the costs they are asked to share re institutionalization.

We operate a year round program with students beginning in January, June and August. Almost all of our students serve the full year. I would strongly recommend a one year framework for UYA for the benefits generated to both students and community.

From the students perspective the one year commitment is unusual, but it is also a break into the real world where there are no between semester vacations, recesses, etc. as in academe. The challenge and commitment to a year of involvement and the time to develop a deep sense of purpose and skills related to required tasks is part of the uniqueness of UYA. Students graduate with four years of college and a year of experience. We have found that if we value the year long service and stress the benefits to the agency then the students do too. The UYA program staff affects the context of the students experience.

From the agency point of view one year is ideal in that the students are in the agency long enough to make a substantive contribution for which the agency is willing to share the costs. Initially, the agency gives more to the student than it receives back. After the period of training and development the student begins to take initiative and by the sixth months point they are making a significant impact. In the last half of the year the community and clients gets their strongest return on investment of time and resources. The one year framework just makes it easy to accomplish. I think it is essential to institutionalization goals.

In rare instance because of summer jobs, other plans, or academic requirements, a nine month term is appropriate for a given student. I think when this time frame is preplanned with the agency and student that is is an acceptable exception to the 12 month requirement and I would favor program directors having the flexibility to allow that exception when appropriate.

At Vermont we have an academic provision for "extended credit" (XC) to allow for an academic time frame that does not correspond to the traditional academic year. For the one year seminar the UYA students receive an "XC" on their transcript at the end of each semester with the final grade being submitted after the end of their UYA experience. Thus the educational system has been adapted to meet the needs of the UYA program.

I would not favor a general provision for a nine month UYA program and I would be totally opposed to any shorter period of service for UYA students. I believe UYA should remain a strong comprehensive 12 month service-learning model, with other similar models (such as our Service-Learning Internship Program) being developed with local private funding sources.

3. "THE PROBLEM OF INSTITUTIONALIZATION AFTER THREE YEARS OF A GRANT."

Yes. This is a major problem, but one that ACTION has created by reducing the five year developmental period provided by the legislation to three years and by providing no assistance to schools around institutionalization issues.

The grants have not been planted in fertile, supportive soil and they have not been designed to serve broad intra-institutional purposes. The positive experience of program directors was not made accessable to developing programs.

The UYA grants were not given with a clear purpose of developing and institutionalizing service-learning. In recent years they have been awarded the idea of increasing the number of UYA's in projects. The qualitative developmental work with educational institutions has been forfeited to consideration of quantity and, as a result, the program is floundering.

Again, ACTION UYA administration has created its own problems by not defining and focusing on institutionalization. ACTION and the educational community must work together to develop meaningful, achievable institutionalization objectives.

As I suggested in my written testimony, I believe the institutional focus of the legislation should be strengthened from "promote" to "development" with a clear purpose of establishing service-learning as a bridge between educational institutions and communities. I believe there is a methodology developing to achieve this.

4. "THE PROBLEM OF PROHIBITION OF ANY ATTENDANCE AT CLASSES DURING THE YEAR THAT THE STUDENT WAS A VOLUNTEER."

The legislation provides for a UYA program to enable students "to perform meaningful and constructive volunteer service in connection with the satisfaction of such student's course work during their periods of service while attending such institutions," and volunteers may "receive academic credit for such service in accordance with the regulations of the sponsoring institution of higher education."

This notion of a "prohibition of any attendance at classes" demonstrates a limited and ultimately counterproductive view of UYA program potential for meshing service and learning objectives.

Credits, classes, and other mechanisms are tools of the educational trade. An absolute prohibition against one of the tools without any perspective of how that tool may relate to the purposes of the program is arbitrary and a needless barrier to program development.

The legislation provides for a connection between the students learning and the service in the poverty community. The goal is to establish a methodology that makes that connection in a way that is supportive both to the accomplishment of service and learning objectives.

ACTION requires pre-service and in-service training. We provide that and simply use the language of education, "seminar" and a course number to identify it for the educational institution purposes.

I am enclosing our Agency Planning Manual to demonstrate how we have used ACTION's "Problem Oriented" method for project development and integrated the project with the academic goals of students and faculty as described in our Student/Faculty UYA Planning Manual.

Where such a service-learning methodology has been worked out so as to accommodate the range of student-community needs there results a much deeper community impact and growth for the student.

ACTION's "prohibition of class attendance" has been a major discouraging barrier to many educational institutions. It demonstrates a limited, grants management, compliance oriented perspective that does nothing to evoke a creative response from the educational community to structure a meaningful connection.

5. "THE PROBLEM OF DECREASING ACCEPTABILITY, AT LEAST IN SOME ENVIRONMENTS, OF THE WORK EXPERIENCE AS A FULL EQUIVALENT OF A YEAR'S COLLEGE."

This statement is an example of ACTION's failure to take seriously the potential meshing of service and learning. It is just unimaginable to simply equate a years work experience to a year in college. However, that they are not the "full equivalent" in no way limits the potential for integration.

I commend to you Mike Goldstein's article published in NSVP's Synergist wherein he lays the basic framework for distinguishing between compensation for service provided and earning of credit through a learning process for which the student is paying tuition.

The learning process, related and coordinated to a student's community project enormously deepens the contribution in the community.

I also commend to you the current issue of Synergist in which there are numerous articles describing the connection of service and learning.

In short, the methodology has emerged, via NSVP, within ACTION itself, utilizing the expertise developing in the field, but it has yet to be applied to UYA by National ACTION UYA staff.

6. "THE PROBLEM OF ADEQUATE LEVEL OF FUNDING PER VOLUNTEER."

Because funding support for the UYA volunteer is tied to financial aid in educational institutions, and the increase in UYA stipend simply results in an adjustment in aid downward, I feel that simply raising the level of the stipend is inadequate.

This leaves the poor student just as poor and rewards the student who was not on aid in the first place creating a further inequity.

I think there should be legal provision for exception of the UYA stipend from being considered as income. Students on aid should receive their aid to support their participation in the learning process and should receive the UYA stipend so they can fully participate in the service activity in the community without compromise.

Using Mike Goldstein's conceptualization we are integrating two distinct processes in an incredibly demanding, one year long project experience. With institutionalization both the community and the university participate in funding the program so it must meet the objectives of both simultaneously. Generally students have reported that the amount of the funding they receive is not a major factor in whether they participate or not. I believe there is a need, as inflation escalates, to increase the support. Students on aid, social security, veterans or other benefit programs have a special hardship and some decide not to do UYA. Funding is one barrier, but it is the elimination of the other support, in addition to the amount from UYA, that is most critical.

Thank you.

Sincerely,

Harold D Woods

Harold D. Woods
Director

HDW/adl

Encs.

Senator **Cranston**. That concludes this morning's hearing. There will be another morning of hearings, although the date has yet to be set.

[Whereupon, at 1 p.m. the hearing was recessed, subject to the call of the Chair.]

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1979

WEDNESDAY, MARCH 7, 1979

U.S. SENATE,
SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT,
OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, D.C.

The subcommittee reconvened at 10 a.m., in room 4232, Dirksen Senate Office Building, Senator Alan Cranston (chairman of the subcommittee) presiding.

Present: Senators Cranston and Humphrey.

Senator CRANSTON. This is the second day of hearings on legislation to reauthorize the domestic volunteer service programs administered by the ACTION Agency.

At our last hearing on February 8, I received a written request from Senator Armstrong, and a verbal request from Senator Humphrey, that we schedule an additional hearing day with the administration on its proposed legislation because of the lateness of the administration's transmittal of its proposal, S. 374.

I indicated at our prior hearing that this request would be honored and scheduled a hearing for February 27. That hearing was then postponed at the request of Senator Humphrey because of the unavailability of one of the proposed witnesses, and rescheduled for this morning.

We are holding this extra day of hearings at the request of the subcommittee minority. Although originally the minority had submitted to me a request for four witnesses, I was subsequently advised that three of them will not be appearing.

Sam Brown is thus the only witness at this morning's hearing called at the request of the minority.

Gordon, do you have any remarks?

Senator HUMPHREY. Yes, Mr. Chairman, thank you.

Mr. Chairman, ladies and gentlemen, the most extraordinary thing has happened. We had three witnesses scheduled to appear this morning, and each of them notified us at short notice they could not appear after all. This is certainly one of the strangest chains of coincidences that I have ever witnessed.

Probably not insignificantly, each of the witnesses who were to testify this morning are persons who have been critical of the administration of the ACTION Agency in the past.

We invited them to come this morning and express their views. They accepted willingly, but they are not here this morning. For some strange, inexplicable reason, they [illegible] changed their minds about testifying. Quite a coincidence.

Mr. Chairman, ladies and gentlemen, and observers in the audience could hardly be blamed for surmising that the administration has gotten to our witnesses. I could not blame the observers for reaching such a conclusion. Of course, I could not reach such a conclusion myself, because I have such great faith in our public servants. I have no doubt that each of our three witnesses had sick aunts in need of attention this morning.

As the subcommittee knows, within the past few weeks, there has been considerable coverage in the news columns and editorial pages of the newspapers, as well as expressions in the Halls of Congress, dealing with some aspect of the administration of the ACTION program.

For example, the dismissal of Dr. Carolyn R. Payton, Director of the Peace Corps, and the corps' regional director for Africa, Dr. William E. Gaymon, have resulted in charges and counter charges about the administration of the Peace Corps.

We had hoped to have both Dr. Payton and Dr. Gaymon before our subcommittee this morning, but unfortunately, as I said a moment ago, they were not able to come. We are still hopeful of having them come before us before we have disposed of the authorization legislation.

We asked them to come here to give us the benefit of their experience with the Peace Corps program: to tell us precisely what motivated their separation. I specifically wanted to ask Dr. Gaymon what he meant when he stated, and I quote from the newspaper accounts:

> After several lengthy discussions with your representatives—referring to Mr. Brown's people—I have come to the conclusion that, given the prevailing institutional environment within the ACTION Agency, it serves our mutual interests for me to leave.

In addition, I had wanted Dr. Payton to explain her characterization of ACTION administrators as trying to turn the corps into an "arrogant, elitist, political organization designed to meddle in the affairs of foreign governments."

Let me further quote from an account of the Payton dismissal as written in the Washington Post of December 8, 1978:

> Payton said she believes the Peace Corps has 'strayed away from its mission of promoting world peace and friendship' and is trying to impose American intellectual fads, political and cultural, on host countries.

And in a subsequent speech delivered to a conference of the Eastern Association of College Deans, Dr. Payton had this to say:

> I believe it is wrong to use the Peace Corps as a means of delivering a message to particular constituencies in the United States, or to export a particular political ideology. Those now responsible for the Peace Corps seem to wish the organization to be engaged in a kind of political activism and advocacy. They would be pleased to have Peace Corps volunteers demonstrate overseas against corporations that engage in practices which they disagree with, or that market products they see as harmful.

And, the following:

> They would see the Peace Corps as a vehicle to allow unemployed black ghetto youth, as short-term volunteers, learn about life in a black socialist country.

All this from the former Director of the Peace Corps.

I find it all highly disturbing. Let me repeat her concluding statement as printed in the December 8, 1978, Post:

> The Peace Corps has strayed away from its mission. As Director, I could not, because of the peculiar administrative structure under which the Peace Corps operates, do anything about this situation. As an ex-Director, I am free to sound the alarm.

Mr. Chairman, I believe these allegations and statements go to the heart of ACTION's administration of the Peace Corps.

With respect to the administration of ACTION generally, I am dismayed by the characterization of Representative Michel, whose recent report of ACTION detailed, and I quote: "the existence of widespread mismanagement and a blatant disregard for the Agency's mission by its senior executives."

I am particularly concerned about the reference to the national grants program, and the Michel report raises the question of whether the Congress should redirect or discontinue ACTION's $4 million national grants program.

For example, the investigative staff of the House committee allegedly found many abuses of the national grants program, such as involvement in union and political activity and other violations of the Domestic Volunteer Service Act, including violations of Government regulations in awarding Federal procurement contracts.

Mr. Chairman, incident to these hearings, and to clear the air of allegations, to get to the substance of whether or not in fact officials of ACTION are violating the law, I believe it is incumbent on this committee to go into ACTION's operations to a greater extent than has previously been the case.

To this end, I am requesting from the Agency: 1. A list of all present grantees; 2. Copies of the work programs upon which these grants are based; 3. Articles, bylaws, charters and the like, of recipient organizations; 4. Names and biographies of principals of those organizations, as well as inspection and evaluation reports on the various programs thus far.

I will put my request in writing to Mr. Brown, and I would hope that his staff could furnish this information before too long.

That is the extent of my statement, Mr. Chairman.

I do have some questions at the appropriate time.

Senator CRANSTON. I want to note that our jurisdiction is over the domestic activity of the ACTION Agency, and the Foreign Relations Committee, as you know, has jurisdiction over the Peace Corps activities.

Sam, do you have any statement?

STATEMENT OF HON. SAM BROWN, DIRECTOR, THE ACTION AGENCY, ACCOMPANIED BY MARGE TABANKIN, DEPUTY ASSOCIATE DIRECTOR, VISTA; TOM FRIEDKIN, DEPUTY ASSISTANT DIRECTOR, ADMINISTRATION AND FINANCE; HELEN KELLEY, DEPUTY ASSOCIATE DIRECTOR, CAVP; AND HARRY MacLEAN

Mr. BROWN. I have no opening statement this morning. I will be happy to answer whatever questions may be directed to us.

Senator HUMPHREY. I am aware, Mr. Chairman, that the Foreign Relations Committee has jurisdiction over the ACTION program, and this subcommittee has no jurisdiction over the Peace Corps program.

I have no quarrel with the intent of the Peace Corps program. I do have questions about the administration of this program of the ACTION Agency.

Mr. Brown, I would like to allude now to the Peace Corps segment of ACTION and the serious allegations that have been made, notably by Dr. Payton and Dr. Gaymon.

Dr. Gaymon, a man of respected professional background, is quoted as saying that: "I have come to the conclusion that, given the prevailing institutional environment within ACTION, it serves our mutual interests for me to leave."

I would like you to clarify this statement. What does Dr. Gaymon refer to in "prevailing institutional environment within ACTION?"

Mr. **Brown**. I am afraid you would have to direct tbe question to Dr. Gaymon. I haven't spoken to him in a month or 6 weeks, and I frankly do not know.

Senator **Humphrey**. Dr. Payton is quoted as saying that she believes the Peace Corps has "strayed away from its mission of promoting world peace and friendship and is trying to impose American intellectual fads, political and cultural, on host countries."

Would you care to comment?

Mr Brown. I disagree fully with that statement.

Dr. Payton appears to have had longstanding disagreements with congressional and administration intent for the Peace Corps. This was, in fact, a part of the reason for resignation.

You would have to ask her what she intended by that statement.

Senator **Humphrey**. Why is it that these two respected persons resigned? What is your opinion?

Mr. **Brown**. Their resignations were requested.

Senator **Humphrey**. For what reason?

Mr. **Brown**. There were very serious and substantive policy differences between Dr. Payton and the Congress and the administration. It was very clear that the programing intent mandated by the Congress was one that Dr. Payton neither intended to carry out nor was her administration, in my judgment, one which would enable the Peace Corps to carry out its mission.

Consequently, we requested her resignation.

Senator **Humphrey**. Dr. Payton has said the following:

> I believe it is wrong to use the Peace Corps as a means of delivering a message to particular constituencies in the United States or to export a particular political ideology.

Would you care to comment on that, please?

Mr. **Brown**. Yes, I agree with that.

Senator **Humphrey**. Additionally, here are some observations made by Dr. Payton:

> Those now responsible for the Peace Corps seem to wish the organization to be engaged in a kind of political activism and advocacy. They would be pleased to have Peace Corps volunteers demonstrate overseas against corporations that engage in practices with which they disagree, or that market products they see as harmful.

Mr. Brown, is there any program which is aimed at U.S. companies having overseas operations, such as in South Africa?

Mr. **Brown**. Absolutely none at all. There is no documentation in the history of the agency to provide substance to that statement.

Senator **Humphrey**. You do not see it as being the business of the Peace Corps to demonstrate against overseas corporations or against products which your agency sees as harmful.

Mr. Brown. I do not.

Senator **Humphrey**. I find this observation of Dr. Payton's to be especially disturbing:

> They would see the Peace Corps as a vehicle to allow unemployed black ghetto youth, as short term volunteers, to learn about life in a black socialist country.

Has there been a program proposal of the Peace Corps to utilize unemployed black ghetto youth in black socialist countries to learn about life from those countries?

Mr. **Brown**. Apparently what Dr. Payton refers to is a program that was discussed within the Agency but never implemented concerning the possibility of sending VISTA volunteers to spend part of their training time working in Jamaica.

Apparently she disapproved of that kind of cross-cultural experience or the possibility of VISTA's who had been low-income agricultural workers in the South spending part of their service working with rural people in Jamaica.

This was one of 20 or 30 speculative discussions within ACTION examing how one might provide short-term volunteer opportunities to a broader range of people.

We looked into sending doctors and former Peace Corps and VISTA volunteers to work in disaster relief. Also, nurses who could not take 2 years off to serve as Peace Corps volunteers but might be able to serve a shorter period of time in an inoculation program.

There were a number of discussions. Apparently some people think you shouldn't discuss things you end up not doing.

Senator **Humphrey**. I have no quarrel with a discussion of how to utilize short-term volunteers and you can leave the adjective black out of this question, but what disturbs me is the discussion the U.S. Government agency taking youth from the United States and sending them to a socialist country so they can observe; evidently the thrust was this: So they could observe socialism in action.

Can you comment on that part?

Senator **Cranston**. May I make a comment first, please.

First, on a related matter, the ACTION Agency response to the House Appropriations Committee staff report has been made a part of the record of this hearing and it has been shared with the members of the subcommittee.

Second, the letter you, Senator Humphrey, wrote to me on February 23, cosigned by Senator William Armstrong, stated that you recognize that the subcommittee does not have jurisdiction over the Peace Corps, that you want to emphasize this with respect to the allegations that Peace Corps funds have been used to support central office activities related to the domestic program.

[The letter referred to appears in the appendix.]

Senator **Cranston**. Questions about such matters would, I think, be quite relevant to the role of the subcommittee. It seems to me that the questions you are asking are strictly Peace Corps business and really the jurisdiction of the Foreign Relations Committee. That committee is going to have hearings on the Peace Corps.

The questions you asked are certainly interesting questions, and if there is validity to some of the charges that your questions relate to, it certainly is the responsibility of the Congress to explore them fully. But the place to do that is in the Foreign Relations Committee. I would hope that you can ask questions and dig into matters that relate to the general subject matter you outlined in your letter to me.

Senator HUMPHREY. Mr. Chairman, with all due respect, if I understand this correctly, and I do not claim to have acquired expertise in my 6 or 7 weeks as a Member of the Congress, these hearings arise out of the reauthorization of ACTION programs.

ACTION administers the Peace Corps. It seems to me that these are relevant questions.

Senator CRANSTON. The legislation before us is not reauthorizing the agency. It would reauthorize the specific programs on the domestic side, carried on by ACTION inside the borders of this country.

Senator HUMPHREY. I would like to proceed, if I may. I have five or six questions in this vein and then I have questions about programs in ACTION not connected with the Peace Corps.

Senator CRANSTON. I do not propose to cut you off. I just want to make it plain that it seems to me—I want to make plain to the administration—that questions of the sort you just asked are not within the jurisdiction of this subcommittee.

Senator HUMPHREY. Thank you for letting me proceed and I want to do this in the most respectful way possible and I did check with Senator Javits who is the ranking minority member of the Foreign Relations Committee and he gave me his personal approval to proceed in this vein.

Senator CRANSTON. Did you discuss this line of questioning with him?

Senator HUMPHREY. No, not verbatim.

Mr. Brown, do you feel the Peace Corps program is best administered by the ACTION Agency versus the State Department?

Mr. BROWN. Yes.

Senator HUMPHREY. Why do you feel that way?

Mr. BROWN. Mr. Chairman, I am obviously happy to answer questions put to me although I have to say in all candor that coming to a domestic hearing I did not bring the backup witnesses I would have brought had we been in a Foreign Relations hearing to discuss these issues. My impression was that we would be discussing the domestic program.

Since the question was asked I would say simply I believe the Peace Corps is a nonpolitical, humanitarian assistance program best administered in conjunction with other volunteer service programs of the Federal Government rather than through the agency of the Federal Government which is responsible for the foreign policy of the United States. I believe that also reflects the judgment of the Congress.

Senator HUMPHREY. The balance of these questions are related to other jurisdictions of ACTION.

Mr. Brown, I would like to allude for a moment to the controversial national grants program administered by you.

Is it true that some of the costly VISTA national grants were made without onsite visitations and to organizations that were not incorporated as nonprofit?

Mr. **Brown**. Senator, I will be happy to respond to all the questions in detail.

Ms. Marge Tabankin, Deputy Associate Director of VISTA, and Mr. John Lewis, Associate Director for Domestic and Anti-Poverty Operations, as well as the General Counsel of the agency, who worked on our response to the review conducted by the House Appropriations Committee are also available to respond in detail.

I would like to say at the outset that we have filed with the subcommittee a response to the House Appropriations Committee report, a response of over 100 pages, which deals in some detail with many of the questions which you may have.

Your question, I think, is one to which Ms. Tabankin can respond.

Ms. **Tabankin**. We avoided awarding national grants to organizations that did not have tax exempt status. Only one organization of all the grants awarded was not tax exempt at the time of award. It was pending tax exemption and became tax exempt immediately after the grant was award.

The proof of nonprofit status was submitted to the agency's Office of General Counsel. All our grants are awarded to nonprofit tax exempt organizations.

Senator **Humphrey**. What about the aspect of awarding grants to organizations without onsite visitations?

Ms. **Tabankin**. All of the grantees had personal visits from the ACTION Agency staff. Very few of the subprojects administered by those grantees missed site visits. Almost all had our ACTION State field staff visit them. A few, because of monetary constraints of the agency, did not receive site visits. However they were checked out by the field staff in 50 States and regional offices through opinion leaders and community leaders.

Senator **Humphrey**. There were some grants made without onsite visitation.

Ms. **Tabankin**. All grantees were spoken to directly.

Senator **Humphrey**. I am referring to the onsite visitation, not a phone call.

Ms. **Tabankin**. There are over 253 components of national grantees.

Mr. **Brown**. The national grantees were not simply spoken to by telephone. All of the organizations to which national grants were awarded were visited.

Senator **Humphrey**. Were there onsite visitations? That seems to be the question, part of the question.

Ms. **Tabankin**. In every case.

Mr. **Brown**. Yes, every national grantee.

Senator **Humphrey**. Was that before the grant was made?

Ms. **Tabankin**. Either they came to Washington for lengthy discussions with their board and staff directors or we went there; yes, before they were made.

Senator **Humphrey**. Thank you.

It has been alleged that the selection of national grant sponsors was unusually subjective both because the grants were awarded noncompetitively and because State directors, even the Project Review Board's recommendations, were overruled.

Would you please comment on that.

Mr. **Brown**. Once again, the response to that question is detailed in our response to the House Appropriations Committee report and I can refer you to that document.

Mr. MacLean or Ms. Tabankin can respond further.

Ms. **Tabankin**. I would like to go back a little bit and explain how that process occurred.

In March of 1977, ACTION interviewed over 100 community leaders around the country to try to find a direction for VISTA in the new administration. Shortly after that I joined the agency. We then carried out a fair, thorough review of the kind of antipoverty programs that the Agency should be engaged in.

We convened three sessions including 40 individuals, representing over 100 community-based organizations.

At that point there was no history in ACTION, or in the predecessor agency, the Office of Economic Opportunity, of awarding projects competitively.

We had a desire to move VISTA back to the poverty community quickly. We invited those organizations that had very good reputations in the field.

We let any organization that was interested in working with us know that we would be making funds available to go back to antipoverty work and away from labor displacement work VISTA's had been doing.

Twelve national grants were awarded, six of which had never been part of the sessions. They were all competent by reputation in the field in which we were offering the grant and as early as March 1978 we were already a long way down the road toward competitive procedures because that was Mr. Brown's intent for the agency.

After we got these programs off and running, the White House issued an Executive order regarding the competition of program grants. This had not been a practice by many agencies, including HUD, for example, where the neighborhood program did not have competitive program grants.

By the time the Executive order came out, we were already in the process of designing competitive procedures.

All program grants of that stature could have been competitive, but we would have lost the entire fiscal year's ability to fund the antipoverty program had we not moved with those organizations that were very serious and dedicated.

Senator **Humphrey**. What about the overruling of the Project Review Board's recommendations?

Ms. **Tabankin**. I recall only one case where the Project Review Board was overruled by myself.

I would like to state for the record that the investigators never asked why that occurred.

Senator **Humphrey**. May I?

Ms. **Tabankin**. Certainly.

I have the legal authority to approve all grantees before they move through the Agency process.

After the Program Review Board met, that grantee appealed the decision on several of the components of the grant which had been rejected by the Program Review Board.

The Program Review Board did not reject the grantee. It only rejected certain projects, I think seven.

I convened a meeting of the National Grant Organization and also held a meeting with the chairman of the Program Review Board and the program manager. At my request, they submitted further information. In some cases, two specifically, we found compelling reasons and we sustained the Program Review Board's decision.

In two cases, we felt that the information warranted further investigation and we asked our Office of Policy and Planning to dispatch a team of evaluators to see if they came back recommending approval.

In the other case, we found that the information supplied to the career program staff doing the work on a project and to the project review chairman was satisfactory. So, we went ahead and approved the remaining components.

Senator HUMPHREY. The case of your overruling the Project Review Board, what was that, how much?

Ms. TABANKIN. That was the National Center for Urban Ethnic Affairs, an organization that works in community development to ease racial tensions. That was for, I believe, about a half million dollars.

Senator HUMPHREY. Mr. Brown, 12 National Grant projects totaling $4 million were awarded noncompetitively. Can you furnish this subcommittee with the identities of the grantees of these noncompetitive awards, as well as the rationale for the awards?

Mr. BROWN. The names of those grantees and the rationale for their deletion, are included in our response to the House Appropriations Subcommittee.

I agree that the dollar amounts strike one as being a great deal of money.

Of the grant dollars, approximately 80 percent goes directly to the support of the VISTA volunteers, not to the organization for their overhead expenses.

They do receive overhead to sustain project-related expenses of the organization as is common with most grants.

But, 80 percent of the grant money goes directly to low-income VISTA volunteers to pay stipends which to enable VISTA's to live at the poverty level.

So, of about $500,000 in a typical grant, $400,000 or more goes directly to the VISTA volunteers and the remaining, $100,000 goes for supervision and training of those volunteers to insure they are both well trained to carry out the work which they will do and are adequately supervised in its performance.

Senator CRANSTON. If these were standard VISTA programs would not the same amount of money go right through to the volunteers?

Mr. BROWN. Yes, If they were regional grants, about 80 percent would go directly to volunteers.

Were they standard VISTA projects, the amount that didn't go to VISTA volunteers, would go to our career staff to pay project monitoring and to sponsors through small supervision and transportation support grants.

Essentially, national grants are a mechanism to get VISTA volunteers out in the community through intermediate organizations who provide supervisors and training rather than using the standard assignment of supervisors with training by the career staff.

National Grants are simply a mechanism to place VISTA volunteer in the community. They are not grants to the recipient organizations for their other work.

For example, the National Center for Urban Ethnic Affairs didn't get a half million dollars for its own use. They paid 80 percent of that through to VISTA volunteers in the form of stipends and they provided supervision, training and job-related volunteer transportation.

Senator CRANSTON. Are all National Grant VISTA volunteers low-income people?

Mr. BROWN. By definition, during the period of time they are in VISTA, they receive a stipend equivalent to a poverty wage in the community.

Approximately 20 percent of the VISTA volunteers were, prior to the time they became VISTA volunteers, low-income; that is, they qualified for benefits as low-income individuals. The other 80 percent of the volunteers are people who choose to live on a poverty level stipend while serving as VISTAs.

Senator CRANSTON. That 20 percent refers to VISTA's in the National Grant program?

Mr. BROWN. It is approximately 20 percent.

Ms. TABANKIN. Senator, it is actually a little bit higher; in the Federation of Southern Cooperatives and the National Association of Farm Organizations, they are almost 90 percent of low-income volunteers.

Senator CRANSTON. Thank you.

Senator HUMPHREY. It has been charged that ACTION is not properly overseeing these National Grant projects. For instance, the Midwest Institute was awarded $500,000 for training expenses. With this money VISTA volunteers received questionable material promoting political and union activism.

Were you aware that ACTION money was supporting such material? If so, explain. If not, why not?

Mr. BROWN. The Midwest Academy did not receive $500,000 for training expenses. They received $500,000, more than 80 percent of which went directly to VISTA volunteers in the form of stipends and other supportive expenses.

They, in addition, trained and supervised the volunteer.

That $500,000 provides a full year's expense for 88 volunteers. This is not some giveaway program. It is a very tightly managed program which has 88 living at the legal poverty level.

A small amount of that money does provide for training and supervision of volunteers, in this case by the Midwest Academy.

I will continue with regard to the training materials.

The materials to which I presume you refer are the ones we discussed in responding to the Appropriations Committee report. They were materials prepared by and normally used by the Midwest Academy in other training activities of that organization.

There was a specific disclaimer in the materials which stated that some of the tactics proposed were inappropriate for VISTA volunteers. When we saw the training materials and reviewed them, it became clear those were inappropriate materials. As a consequence, they were not used in succeeding training sessions with VISTA volunteers.

We would concur with a statement widely shared among people at the scene that the materials are inappropriate for training VISTA volunteers. Therefor, they are no longer used for training VISTA volunteers.

Senator **Humphrey**. Was any disciplinary action taken against those responsible for distribution of that material?

Mr. **Brown**. No.

Senator **Humphrey**. No reprimand.

Mr. **Brown**. They withdrew the materials. We corrected the problem rather than punishing them for the past.

They were an organization that had not in the past received Federal funds and like many low-income grassroots organizations they may not have been aware of what they should be doing and what we think they should be doing. We tried to help them become aware.

They terminated the use of those materials.

Senator **Humphrey**. Excuse me just a moment.

Mr. **Brown**. Senator Humphrey, if I might continue with regard to Midwest Academy training materials, the questionable material came out of an over a 1,000-page training manual.

There were a couple of inflamatory quotes and we terminated the use of them.

Senator **Humphrey**. How many trainees were involved in that particular program?

Mr. **Brown**. I believe 88.

Senator **Humphrey**. What would be the cost per trainee? Do you have figures on that?

Mr. **Brown**. I would have to provide the information for the record.

The total cost for the full year for 88 VISTA's is approximately $500,000, including their stipends, training, transportation, and supervision.

Ms. **Tabankin**. The cost factor was $370 per volunteer for training.

Senator **Humphrey**. Mr. Brown, it has been alleged that VISTA volunteers are working in lower and middle-income areas, despite regulations that mandate that they work in poverty areas.

Is this still true or has your agency corrected the situation?

Mr. **Brown**. Senator, I would like to quote an eloquent phrase from a member of ACTION's general counsel office. "The street lights in the poverty neighborhoods shine on the rich and poor alike."

Some of the benefits that accrue in poverty neighborhoods may have ancilliary benefits for people with moderate incomes.

If the utility rate reforms were instituted to insure that the lowest income people, particularly senior citizens, would be given a break, that might have some modest spinoff benefit for some moderate income and working class people. That is true.

Our efforts are to deal with poverty and are directed specifically at dealing with poverty. That does not mean the poor are the only people with whom we work. However, we intend that the benefits of our programs flow directly to the very lowest income people in our community.

We believe the way to deal with poverty is to not divide poor people off and separate them in a manner which says, "These are poor people and everything must flow to them," but to try to build a community around an issue such as utility rate reform which will have an impact on tens of thousands of people and develop the kind of coalitions which will deal with substantive causes of poverty.

So, in a way it is fair to say some of the more moderate income people might have benefited indirectly from some of the VISTA programs.

We take seriously our congressional mandate that our program is to direct ourselves to poverty and poverty-related projects.

Senator HUMPHREY. I wonder if you would answer the question explicitly. Is it true that VISTA volunteers are working in lower and middle income areas despite regulations that mandate that they work in poverty areas?

Mr. BROWN. The congressional mandate says we shall work with poverty and poverty-related problems. We have never violated that congressional mandate.

Senator HUMPHREY. Thank you.

I have several more questions.

Contrary to guidelines, several national grant projects had no measurable goals or objectives stated. How did you plan to monitor their effectiveness without quantifiable data?

Ms. TABANKIN. The National Council of La Raza, a national organization, had no experience with VISTA project development. The first proposals from the organization were very weak. That was why a grant to that organization was delayed for so long.

Our field staff worked closely with the organization, specifically on their work plans and goals and objectives. We have established a comprehensive monitoring process which includes two site visits a year and four quarterly reports from the grantee.

The La Raza project is now producing results. Work is underway to establish community corporations, to work with private foundations and Federal agencies being contacted as possible funding sources.

Senator HUMPHREY. You are stating the fact that there have been no grants to projects which lack stated goals or objectives.

Ms. TABANKIN. In our programmatic judgment, that is correct. I feel satisfied with the goals and objectives of all grants that have been let.

Senator HUMPHREY. There is one word I am not getting.

Senator CRANSTON. Programmatic.

Senator HUMPHREY. In your programmatic opinion, is that what you are saying?

Ms. TABANKIN. I review all grants for their program quality. In my judgment, all of those grants had acceptable goals and objectives.

Senator **Humphrey**. Did they state goals and objectives in writing?

Ms. **Tabankin**. Yes.

Senator **Humphrey**. How many grants were made to programs that had no goals and objectives stated in writing?

Ms. **Tabankin**. We have lengthy program documentation.

Senator **Humphrey**. No grants were to programs without objectives and goals stated in writing, is that correct?

Ms. **Tabankin**. That is correct.

Senator **Humphrey**. Mr. Brown, it has been alleged that ACTION has used twice the number of experts and consultants under your direction than that of your predecessor. In 1978 you used 1,268 more experts than in 1976. Can you explain the need for this increase?

Mr. **Brown**. That appears to be a typographic error which may confuse the number of experts with the number of expert days.

I don't believe we had 1,200 experts in the agency.

Let me ask Mr. Friedkin from Administration and Finance to answer. He can deal with the substance of the question.

First, let me make a general comment on the problem that we had with the House Appropriations Committee report. The comparison the report drew was between the last year of the previous administration and the first year of this administration.

During the last year of the previous administration, the agency was being phased out. That was the recommendation of the previous administration.

ACTION program, for instance, the Peace Corps, had as many as a third of the country directors overseas vacant. There were nearly 300 agency staff vacancies when I became Director.

The comparative numbers which you cited are between the last year of the previous administration and the first year of this administration.

We think a more reasonable comparison is between the first year of this administration and the first year of the previous administration. If you do that comparison, you will discover that we spent 70 percent less on consultants in the first year of my administration than in the first year of my predecessor's administration.

Senator **Cranston**. Would you identify yourself for the record, please.

Mr. **Friedkin**. I am Tom Friedkin, Deputy Assistant Director of Administration and Finance.

It is not significant to talk about how many experts and consultants there are because a consultant may only work a few days and he is paid only for the days he works. It is significant to talk about how much money was actually spent for consultants.

I can give those figures. In 1973, the Agency paid $1,600,000 for consultants; in 1974, over $1,900,000. This was in the previous administration. In 1977, under Sam Brown it was only $538,000 and in 1978 only $900,000, and that is with inflation, also.

Senator **Humphrey**. Thank you.

Mr. Brown, why has there been an increase in noncompetitive appointments? Couldn't these positions be filled by the merit system, the civil service?

Mr. **Brown**. In 1972, at the time of the publication of the so-called Plum Book, which is the list of noncompetitive positions that was published by the Post Office Committee of the Congress, there were 200 noncompetitive positions in the ACTION Agency.

Last year, there were 131 noncompetitive positions in the ACTION Agency.

In making a comparison with my predecessor in the last year when they were winding down the programs, there were 101.

This past year—when there was a recommendation for a substantial increase in the program, there were 131, a decrease of approximately 70 from the size of the agency in 1972.

There has not been an increase in the noncompetitive positions to maintain the program. In fact, there is a rather substantial decrease from the level of several years ago.

Senator **Humphrey**. How many high-level positions have been excepted from civil service rules since you became director?

Mr. **Brown**. I will provide that information for the record.

Senator **Humphrey**. I would also like to request a list of those appointments and brief biographies of individuals involved.

Mr. **Brown**. Certainly.

[The information referred to follows:]

Response to Questions by Senator Humphrey

Q. How many high-level positions have been excepted from the Civil Service rules since you became director? Also, I would like a list of those appointments and brief biographies of individuals involved?

A. Since I became director of the Agency in February 1977 there have been four non-career executive positions approved for ACTION by the Civil Service Commission. Six foreign service positions have been created in ACTION but outside the Peace Corps, and four additional positions already in existence were filled. A list of these appointments and a brief biography of the individuals involved follows:

NON-CAREER EXECUTIVE POSITIONS

Incumbent: James Duke. Date of appointment March 1977. Deputy Director of Operations, Drug Abuse Council February 1973 to February 1977.

Executive Assistant for Programs, NEA-17.

Incumbent: Donald Green. Date of appointment March 1977. January 1976 to March 1977, consultant. Co-Director Fund for Neighborhood Development, 1970 to December 1975.

General Counsel, NEA-17.[1]

Incumbent: Harry N. Mac Lean. Date of appointment June 1977 First Assistant Attorney General, State of Colorado from Janaury 1975 to May 1977. Adjunct Professor, University of Denver from January 1970 to June 1975.

Assistant Director, Office of Legislative and Governmental Affairs, NEA-16.[1]

Incumbent: Daniel C. Maldonado. Date of appointment July 1977. July 1971 to May 1977, Administrative Assistant to Representative Edward Roybal.

FOREIGN SERVICE POSITIONS

Assistant Director for Recruitment and Communications, FR-1.

Incumbent: Larry Brown. Date of appointment December 1977. Executive Director, Massachusetts Advocacy Center, February 1973 to December 1977.

Deputy Assistant Director of Administration and Finance, FR-2.

Incumbent: Tom Friedkin. Date of appointment October 1977. Budget Officer Environmental Protection Agency, September 1975 to October 1977.

Assistant Director for Policy and Planning, FR-1.

Incumbent: Thomas P. Glynn. Date of appointment June 1977. 1973 to 1974 Special Assistant to the Governor of Massachusetts in the Office of Programming and Policy Development. January 1975 to April 1976 self-employed consultant. May 1976 to May 1977, Senior Associate, Public Business, Inc. 1976 pursued graduate studies at Brandeis Univeristy. This employee is now a GS-15, Special Assistant.

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[1] Position was filled through FR authority prior to March 1977.

Deputy Assistant Director for Compliance, FR-2.

Incumbent: Gene Lucero. Date of appointment July 1978. Assistant Attorney General, State of Colorado, April 1975 to March 1978.

Executive Assistant to the Deputy Director, FR-2.

Incumbent: Dorothy H. Mann. Date of appointment December 1977. October 1976 to March 1977 Deputy Director, Division of Resource Development DHEW. July 1975 to October 1976, Deputy Chief, Health Systems Branch, DHEW.

Assistant Director for Compliance, FR-1.

Incumbent: Raul N. Rodriguez. Date of appointment February 1978. Executive Director, Department Regulatory Agency, State of Colorado, January 1975 to November 1977.

ALREADY EXISTING UNFILLED POSITIONS

Deputy Associate Director, Domestic and Anti-Poverty Operations, NEA-16.

Incumbent: Peter J. Dybwad. Date of appointment September 1977. November 1973 to August 1977, Partner, Aspen Company. Employee currently GS-15, Special Assistant to the Director.

Deputy Associate Director for Older Americans, NEA-16.

Incumbent: Helen Kelley. Date of appointment September 1977. August 1963 to August 1977 President Immaculate Heart College.

Deputy Associate Division for VISTA and AEP, NEA-16.

Incumbent: Margery Tabankin. Date of appointment March 1977. January 1977 to March 1977 independent consultant. June 1976 to December 1976 unemployed and did some consulting. September 1972 to June 1976, President/Executive Director, The Youth Project.

Deputy Assistant Director for the Office of Policy and Planning, FR-2 (Currently Acting Deputy Assistant Director).

Incumbent: Dennis Derryck. Date of appointment August 1977. July 1973 to July 1977, Public Administrative Specialist, Institute of Public Administration, Liberia. July 1975 to August 1977, Managing Director, Supermarket Supply Company, Monrovia, Liberia.

Senator HUMPHREY. That concludes my questions.

Would you please furnish this subcommittee with the following:

A list of all grantees, or contract recipients under the national grants program and the following relative to them:

1. The work programs respecting these grants.

2. Copies of the requests for proposals upon which grants were based.

3. With respect to each grantee, a copy of their by-laws, or charter;

4. Names and biographies of the officers of these organizations; and

5. Copies of inspection reports of grantees before you became Director in order to see if any improvements were made.

I would like to read a brief passage from the Congressional Record that will be entered in the record of this hearing. These are the remarks of Hon. Don Bonker, Member of the House of Representatives, remarks inserted in the Record on February 22, 1979:

> Mr. Speaker, the continuing controversy surrounding the tenure of Sam Brown and his colleages in ACTION is rooted in problems which go much deeper than the nature of their personalities. There is an inherent malaise within Peace Corps as well as the other agencies which comprise ACTION, which is caused by a mistaken conception that highly disparate organizations can be combined simply because they involve volunteerism in one form or another. Experience has shown that this arrangement simply has not worked.
>
> Why persist therefore in perpetuating a bad situation? With the emphasis it has placed on reorganizing the Federal bureaucracy, why has the administration neglected the glaring foolishness underlying ACTION's existence? Instead of tinkering with new and highly dubious policy directions for programs like the Peace Corps and VISTA, the American people deserve a plan for revitalizing these agencies by setting them free of ACTION's stranglehold.

The crisis in ACTION will continue until the inevitable need for reorganization is accomplished.

That concludes the part that I want to read. Mr. Chairman, thank you very much for your forbearance. I regret exceedingly that our witnesses were not here. I think it would have been enlightening for everyone and I hope in the future we will have a chance to talk with these people.

Senator **Cranston**. Thank you very much.

Mr. **Brown**. Prior to the termination of the hearing, may I ask for a clarification of one of Senator Humphrey's questions with regard to the history of national grantees prior to this administration. There is no history of any relationship between national grantees and the agency.

We will provide you with whatever information we have, but there was no history of a relationship between ACTION and national grantees prior to this administration. So, there isn't a comparative stand. We will be happy to provide you with all of the documentation of any relationships that have existed during this administration.

Senator **Humphrey**. Thank you.

I have been asked by an assistant of Senator Armstrong to ask for him some five questions. I would like to do that if I may.

Senator **Cranston**. Certainly.

Senator **Humphrey**. These are questions for Sam Brown.

1. Please provide the Committee with additional justification for the yet to be authorized Urban Volunteer Programs. How would the $25.5 million be used? Lest year, as a part of S. 2617, the Senate-passed ACTION bill, there was a provision which would have required ACTION to increase spending for volunteer programs under the Older Americans Act by $10 million each year before any funds can be spent for the urban volunteer program; there also was a provision which required that the first $8.1 million a year spent for the urban program be used for the new Helping Hand or fixed-income counseling programs. Are these reflected in your current proposals?"

There are two questions. How would $25.5 million be used and, is that $8.1 million reflected in your current proposals?

Mr. **Brown**. On the first part of the question, we will be happy to provide backup details and documentation. Of the $25 million requested in fiscal year 1980, $16 million is designated for Urban Volunteer Corps. This includes the part of that Technical Management Assistance activity for which $11 million is requested. This program will bring together professionals and people in the community to work with grassroots neighborhood groups.

[The information referred to follows:]

Question. Provide the Committee with additional justification for the yet to be authorized Urban Volunteer Programs. How would the $25.5 million be used?

A. To summarize the Urban Volunteer Programs request for Fiscal Year 1980, ACTION is proposing a total budget of $25,457,000 which be allocated as follows:

$11,000,000 to fund 110 Technical Management Assistance projects.
$5,750,000 to fund 115 Fixed Income Consumer Counseling projects.
$8,457,000 to fund 1,690 Good Neighbor Fund grants.
$250,000 to support evaluation of the Urban programs.

Justification of this proposed program begins with an assessment of problems and opportunities confronting America's cities. This assessment, which was conducted during the development of the Administration's urban policy last year, identified two facts of special relevance to the ACTION program.

First, strong, healthy neighborhoods are essentail to the well being of cities. People live in and identify with their neighborhoods. This identification and concern needs to be captured as the basis for encouraging citizens to take action and form active citizen's groups within neighborhoods.

Second, citizen involvement in the life of their neighborhoods and their cities is as important, perhaps more important, than large capital outlays or expensive public works projects. Voluntary citizen involvement can and demonstrably does lead to maintenance and revitalization of urban neighborhoods.

Therefore, the Administration's urban policy included a focus on voluntary citizen involvement at the neighborhood level. This is the fundamental premises for ACTION's urban programs.

The components of ACTION urban programs focus on voluntary efforts at the neighborhood level in a series of complementary ways:

Seeking to strengthen grassroots neighborhood organizations through provision of voluntary management assistance through the TMA component. It is a documented fact that grassroots groups often flounder at an early stage in their development for want of some basic know-how in such critical areas of keeping books and accounting for funds, getting organized, recruiting volunteers, and so forth. ACTION tested, through the Management Assistance Program in Cincinnati, the concept of voluntary technical assistance by accountants, lawyers and other professionals to neighborhood groups and found that it works. It is also clearly cost effective and anti-inflationary. We estimate that every $1 of Federal money invested in TMA will result in $11 of service to community groups.

Builidng on the TMA concept to provide other forms of service directly to low income citizens of urban neighborhoods. The Fixed Income Consumer Counseling Program will focus on the issues and concerns of persons living on fixed incomes and provide voluntary assistance through workshops, advocacy, and one-to-one assistance. This concept has been tested in Denver, Atlanta, Southern California and Massachusetts and found to be an innovative, cost effective way of providing a needed service to the urban poor and near poor.

Providing small amounts of seed money to neighborhood groups through the Good Neighbor Fund to enable those groups to conduct citizen-volunteer based neighborhood self help projects. These small grants of up to $15,000 enable neighborhood groups to purchase tools or equipment for voluntary efforts. This concept has also been [illegible]cessfully demonstrated through many of ACTION's mini-grants over the past five years.

To summarize, the primary justification for ACTION's proposed urban programs is a recognition that the urban neighborhoods must be a focal point for efforts to build strong, healthy cities. And, within those neighborhoods, an important resource is the voluntary efforts to citizens and citizen groups. ACTION's programs, therefore, focus on providing expert voluntary assistance to enable citizens to become viable and continuing organizations. They focus on using volunteers to meet the needs of low income and fixed income citizens. They focus on seed money grants to neighborhood organizations to support voluntary self help efforts. Each of these concepts has been tested and found to be effective, and economical.

Mr. **Brown**. An example of what might be done is the work of the Accountants Aid Society which receives support from the YMCA's and the United Funds to provide technical assistance and linkage between business and professions and low-income people, with the Government providing the linkage mechanism.

The second aspect of the Urban Volunteer Corps is the Fixed Income Consumer Counseling program which will, for $5,750,000, help low-income elderly and others to stretch the income they already have by providing counseling with regard to nutrition, purchasing, consumer information, and so on.

We are requesting $8 million for the Good Neighbor Fund, a small grant program designed to make it possible for small neighborhood-based groups to obtain funds not to exceed $15,000 in small amounts of quick turnaround money to enable the local voluntary efforts to be carried out.

Out of the $25 million, $250,000 or 1 percent of program funds, would provide for evaluation of these programs.

Let me now comment on the concern this committee has expressed regarding Older Americans programs. The administration's request to Congress this year includes $10 million additional funding for the Older American Volunteer program. We have tried to be responsive to Congress concerns with regard to an increase in the Older American program.

The $8.1 million for Helping Hand as provided in the chairman's proposed legislation is not included in the administration's proposal.

Senator **Humphrey**. Thank you.

In a time when both the President and the Congress are becoming increasingly concerned about the size of the budget deficit, we must be guided by an evaluation of priorities and popular support for needed programs. Why should Congress not use the $25.5 million that the Urban Volunteer program would cost to enlarge the Peace Corps, VISTA, RSVP, et cetera?

Mr. **Brown**. The administration's proposal to the Congress is contained in our fiscal year 1980 congressional budget submission to Congress.

The administration's view is that these programs are anti-inflationary.

The Urban programs are ones which generate additional services to the community at a relatively low Federal cost because they are volunteer programs.

For instance, in the Technical and Management Assistance area, for every dollar spent on the program it is anticipated we would obtain more than $11 worth of services to a low-income community.

It is a highly anti-inflationary way of dealing with a problem that faces us all. How do we best deal with the people hurt by inflation; that is, those people on low-income and fixed income?

In terms of priorities for expenditure, what must be said is that approximately one out of every four Americans volunteer in some way or another to help their community. They contribute over a hundred billion dollars a year in unrecognized value to the gross national product, giving their time and effort.

The small amount that this administration requests is provide support and sustenance which will encourage those efforts for ACTION of volunteers wherever they are around the country, to help their neighbors, their friends and people who may not be neighbors or friends but who are desperately in need of help.

Of course, the Peace Corps is not only a popular form of our foreign assistance effort but it is also, I believe, a most cost effective form of providing assistance. It is also a purely humanitarian assistance to those people around the world who need food and shelter and are desperate.

In our country, with our immense wealth, surely we should find some place in our heart to provide that assistance.

Our Peace Corps request is not for expansion of the Peace Corps but to maintain the current size.

For VISTA it is to provide the opportunity for more people of good heart to give at the poverty level while working in a poverty community.

Senator **Humphrey**. You seemed to have answered this question but Senator Armstrong wrote it down.

Would not that—it does not seem to make sense very much.

Would there not be a better and more efficient way to use these limited resources? You can say you have answered that question.

Mr. **Brown**. I concur with the Senator from New Hampshire that I would hope the previous answer would suffice to respond to Senator Armstrong's question.

I am always concerned to respond to Senators from Colorado.

Senator **Humphrey**. What steps have you taken in the past year, and what steps do you intend to take in fiscal year 1980, to select and advance projects that have a poverty focus instead of a so-called general community focus?

Mr. **Brown**. The guidelines for national VISTA grants which have been published are very firm in requiring that the programs to which VISTA volunteers are assigned will be working on poverty and poverty-related problems in the community.

It is our commitment that this administration focuses on work in the poverty community.

Senator **Humphrey**. There is only one last question. Has GAO investigated your agency recently?

Mr. **Brown**. Yes. A draft report on the Peace Corps was submitted to ACTION on February 16 or 17.

Senator **Humphrey**. Are there others on their way, GAO investigations?

Mr. **Brown**. There is a review of the Older Americans program currently underway.

Do we have an anticipated date?

Ms. **Kelley**. Some time this month.

Senator **Cranston**. The GAO report on the Peace Corps is dated February 6; the ID number is 7826.

Senator **Humphrey**. What was the result of the last GAO investigation?

Mr. **Brown**. I don't have a copy of it with me, but I will attempt to make a fair summary. It said essentially that GAO found a number of weaknesses in Peace Corps as it existed in early 1977. We concur with many of the findings of the GAO. Some of the weaknesses which existed in the Peace Corps 2 years ago we pointed out to the Congress of the United States. In fact, we requested budget authority to try to deal with them. They particularly related to recruitment and training. The request we made to Congress for the fiscal year 1979 Peace Corps budget provided additional resources in those areas.

Senator **Humphrey**. The weaknesses were only with respect to the Peace Corps?

Mr. **Brown**. It was a review of the Peace Corps.

Senator **Humphrey**. Has there been a recent review of the entire agency?

Mr. **Brown**. Not by GAO. There were six people from the investigative staff of the House Appropriations Committee who spent approximately 7 months in the agency and conducted a 3½ work-year review of the domestic programs of the agency, completed in December, to which we provided our responses as requested by the Congress about 3 weeks ago.

I think it is fair to say between the GAO report on the Peace Corps, the GAO report on older Americans and the House Appropriations Committee investigative staff report on domestic activities of the agency that we have been rather substantially reviewed in the last year.

We have been very cooperative at every step of the way in providing whatever information was requested, but it is fair to say that many hundreds of thousands of dollars have been spent in the last year reviewing the internal operations of the ACTION Agency.

Senator **Cranston**. I think it is fair to say that while there undoubtedly are administrative weaknesses presently, when you arrived you found many, and I think quite severe ones, that you inherited from the previous administration that you had to deal with.

Some of the items in the GAO report on the Peace Corps relate to problems you inherited when you assumed the directorship of the Agency.

Mr. **Brown**. Senator Cranston, I appreciate your concern and I know you have been very close to this Agency. We know of your past concern regarding the Agency.

We, for instance, had an outstanding race and sex discrimination suit which has been settled. We had 29 outstanding union grievance complaints, many of which were long overdue. These have been dramatically reduced.

We have secured approval of the accounting system by the GAO for the first time in the history of the Agency and at the time very few Government agencies had received the GAO stamp of approval.

There had never been a status of funds printed in timely fashion. There is now.

There was no functioning management information system. There is now.

Over one-third of the Peace Corps country directorships were vacant. They are now all full. We had several hundred personnel vacancies in the agency, which are now full.

The Congress, as well as a number of public interest groups, had been highly critical of the personnel system in the agency. We have terminated those abuses which were alleged to have happened in the past.

The management problems which we inherited in the agency had not been taken care of in the previous years. In the last two years we have tried to clean up those problems.

I don't pretend that everything is absolutely in the condition that we would like. I will assure this subcommittee and others that we are committed to insure that the administrative mechanisms of the agency are carefully and tightly run in a way that reflects well on the professional staff, both the career and non-career staff, and reflects the commitment of this organization to competence in the administration of Federal programs.

Senator **Cranston**. I would like to note for the record that I have been critical of administrative weaknesses in your administration as well as in the preceeding one.

I also want to note, I think the record of the agency in reducing the employee grievances is remarkable. On January 8 you sent this subcommittee a report which showed only three pending cases and no new cases. I think that is good evidence of the handling of your relations with your employees.

[The report referred to follows:]

ACTION
WASHINGTON D.C. 20525

8 JAN 1979

Honorable Alan Cranston, Chairman
Subcommittee on Child and Human Development
Committee on Human Resources
United States Senate
Room 4230 Dirksen Building
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed is a current listing of the ACTION Agency's employee grievances as of December 31, 1978. This is in response to your previous request, and consistant with the schedule projected in my letter to you of October 26, 1978.

Since the September 30th report no new grievances have entered into the system, although it is my understanding that several were "headed off" by informal discussion by employees and/or union representatives and various management officials, such as our labor and employee relations staff.

The three cases listed on the attached report are previously pending cases #2, #9 and #10. These cases should be resolved within the next quarter.

We hope that this supplies you with what you need. We are, needless to say, very pleased with the progress to date.

Sincerely,

Mary Leyland

Mary Leyland
Assistant Director for
Administration and Finance

Attachment

PEACE CORPS • VISTA • UNIVERSITY YEAR FOR ACTION • NATIONAL STUDENT VOLUNTEER PROGRAM
FOSTER GRANDPARENTS • RETIRED SENIOR VOLUNTEERS

Grievance #	Type of Grievance	Date Filed Step 1	Date Filed Step 2	Date Filed Step 3	Status
1.	Repromotion rights have not proved fruitful	9/1/77	9/14/77	1/20/78	Arbitration scheduled for 11/17/78. Postponed indefinitely per union request.
2.	Repromotion eligibles failed to be promoted from best qualified list			9/15/78	Employee's representative has tied to case #1, thus further processing delayed until arbitration is rescheduled.
3.	Failure to be promoted within career ladder	1/1/78	6/13/78	8/7/78	Hearing Examiner investigating case. Report expected 1/79.

AS OF 12/31/78

Mr. **Brown**. Thank you, sir.

Senator **Humphrey**. Has the Civil Service Commission and/or its successor investigated staffing irregularities in the ACTION program? If so, what were their findings?

Mr. **Brown**. There was an investigation previously conducted by the Civil Service Commission.

Every action which we have taken which required Civil Service Commission approval has been approved by the Civil Service Commission. We have taken no actions which would have required their approval which they did not approve.

Beyond that, we have tried to insure that at every step of the way we were in compliance with not only the letter of the law but with the spirit of the personnel system by providing promotion and opportunity based on competence and proven ability.

Senator **Humphrey**. There has been no subsequent investigation.

Mr. **Brown**. In my administration, no.

Mr. **MacLean**. My name is Harry MacLean. There was a Civil Service review in 1978 of a Civil Service investigation conducted in January or February of 1977 which had resulted in a reversal of four high-level conversions from foreign service to career staff positions.

Mr. **Brown**. That was the investigation regarding the previous administration to which I referred. Since my tenure, there has been no Civil Service Commission investigation.

Senator **Humphrey**. Mr. Chairman, unlike our colleagues in the House, we do not have the benefit of an exhaustive investigative report prepared by experienced investigators. Thus, my examination of this matter this morning has been, unfortunately, superficial.

I am convinced that, generally speaking, with some exceptions the ACTION Agency is long on rhetoric and claims but short on performance.

Hardly a day goes by that some aspect of its operation is not the object of editorial or news comment or a denunciation of its activities by a Member of Congress, such as the recent comment by Representative Bonker.

To say the least, there is serious question in many minds that it is, in fact, carrying out the mandate of Congress.

I sincerely hope that the House hearings go into clinical detail to insure that ACTION is, in fact, doing its job, that it is not engaged in political activism or union organizing activities or working up a lather against a utility company, or a bank—activities clearly not envisioned by the law creating this agency.

Thank you very much.

Senator **Cranston**. Does that complete your presentation?

Senator **Humphrey**. Yes.

Senator **Cranston**. I would like to say first that I will place in the record documentation relating to arrangements for this hearing. It seems to me that in these hearings—the session held on February 8 and now this morning's session—there has been full opportunity to bring out whatever points, facts, criticisms, and so forth, which should be a part of the record.

I do not, based on the present record, see evidence justifying the criticisms that have appeared in the press, and I want to state that

I have confidence in Sam Brown as head of the ACTION Agency and, generally, with his administration, although I do have concerns about some aspects of it.

If there is nothing further to come before the hearing, we now stand adjourned.

[Whereupon, at 10:45 a.m. the hearing was adjourned.]

APPENDIX—ADDITIONAL QUESTIONS SUBMITTED IN WRITING, WITH RESPONSES

ADDITIONAL QUESTIONS SUBMITTED IN WRITING BY SENATOR CRANSTON

Question 1A: How do you involve elderly Urban residents in the Urban Proposal, aside from the fixed-income counseling proposal?

Response: Sixty-two percent of all elderly citizens live in Standard Metropolitan Statistical Areas (SMSA), the Urban areas targeted for the Urban Programs. Many live in disadvantaged circumstances, on low incomes, in deteriorating neighborhoods, with inadequate facilities, infrequent transportation, high crime, high food prices, etc. The Urban Volunteer Programs will give these citizens an opportunity to shake their isolation and help others as volunteers in FICC, Technical and Management Assistance (TMA) or through deinstitutionalization efforts. They will be the beneficiaries of assistance through Good Neighbor grants offered to seniors clubs, block associations, food coops, mini-bus transportation services, etc. They will also be recipients of assistance offered to seniors' groups in need of accounting, financial planning, grantsmanship, and legal assistance provided by TMA.

Seniors in a neighborhood might receive coordinated assistance from TMA, GNF, VISTA or RSVP to help capitalize and better manage dozens of activities:

Mobile groceries
Special transportation assistance
Food buying clubs
Block watch activities
Escort services
Library delivery
Medical Coops
Pre-retirement planning
Senior Center Programming

The Urban Volunteer Programs are particularly useful in urban communities with large numbers of seniors with time to volunteer and with needs for group or individual assistance.

Question 1B: Are there other particular groups that you will focus on to get involved in these initiatives?

Response: Although the main criteria for neighborhood assistance will be that the urban community experience symptoms of distress (high unemployment, crime, incidence of poverty, serious out-migration, deteriorating housing, inadequate municipal services, etc); most of these conditions cluster around neighborhoods housing the poor. The poor are, in many cases, the ethnic minority, the elderly and the handicapped. So, these are the groups for whom most of this self-help assistance is targeted.

Question 1A: Page 2

Many GNP and FICC grants will go directly to groups which are wholly or, in part composed of target group participants. To ensure maximum assistance to those living in disadvantaged situations, ACTION's programmatic guidelines will request sponsoring organizations to provide for the participation of client groups (poor, elderly, minority groups, handicapped) in the organization's decision making as well as in project planning and implementation. Advisory Committees, Public Meetings, Board Restructuring are among the ways organizations can meet this request.

While mayors will have substantial responsibility in the selection of TMA grantees, our legislative proposal requires that special consideration be given to organizations of demonstrated effectiveness in serving persons in distressed urban areas, in mobilizing and coordinating volunteer activities and in working with other public and private agencies and volunteer organizations. Community ACTION agencies will receive individual notification of the criteria and the process for selection of grantees.

Question 2: You indicate in your FY 79 budget submission on page 24 that the agency has recently signed an interagency agreement with the Law Enforcement Assistance Administration to permit the ACTION Agency's involvement in an urban community crime prevention activity conducted by LEAA. Would you please provide us with the details of this agreement for the record?

Response: ACTION and LEAA have signed an agreement and begun program design of a $5.5 million (FY 1979) program which they will jointly administer. Potential community sponsors include community organizations (Urban Leagues, Voluntary Action Centers, or United Way Organizations, for example). The primary purpose is to sponsor local partnership planning and funding of neighborhood-based volunteer-oriented projects ($15,000-$40,000 each) focusing on the social and economic problems which lead to crime. The primary features of this joint agency innovation are:

- Sponsoring organizations might represent coalitions which are composed of neighborhood groups, non-profit organizations, criminal justice professionals, and city hall.
- Successful sponsoring applicants will receive about $400,000 for funding the projects of at least 10 grassroots neighborhood organizations in that city.
- Proposals must emphasize neighborhood volunteer projects which focus on the socio-economic problems which affect crime. ACTION has funded pilot projects on redlining, youth employment in crime-ridden public housing, and neighborhood dispute resolution councils which may serve as prototypes.

The positive potential for innovative approaches to crime prevention are innumerable. Congressional approval has been requested to reprogram $5.5 million in LEAA program funds and to transfer to ACTION from LEAA $230,000 for program support and administrative costs.

The full agreement, signed January 2, 1979, is attached.

UNITED STATES DEPARTMENT OF JUSTICE
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION
WASHINGTON, D. C. 20531

December 29, 1978

Sam Brown, Director
ACTION
806 Connecticut Avenue, N.W., Room M 500
Washington, DC 20525

Dear Mr. Brown:

Enclosed is the signed Memorandum of Agreement representing the changes requested by your staff to our version dated December 19, 1978.

Sincerely,

Henry S. Dogin

Henry S. Dogin
Acting Administrator, LEAA

Enclosure

December 29, 1978

LEAA/ACTION
MEMORANDUM OF AGREEMENT
FOR THE
URBAN CRIME PREVENTION PROGRAM

INTRODUCTION:

The President's Urban Policy message of March 27, 1978, called for a new initiative in crime prevention to be implemented jointly by ACTION and LEAA. The program has since them been titled the Urban Crime Prevention Program.

This initiative offers a unique opportunity to capitalize on the strengths of both agencies in the newly-developing field of crime prevention. On May 22, 1978, the President requested a $10 million supplemental appropriation to the Department of Justice FY 1979 budget to support the additional program. Final Congressional action on the FY 1979 budget did not include supplemental funds for this joint effort.

In order to meet the commitment originally intended for this new initiative, LEAA will provide $10 million in funding. This $10 million will be made up of $4.5 million in funds now committed to the Comprehensive Crime Prevention Program and $5.5 million in additional funds for which LEAA in coordination with OMB, will request reprogramming for FY 1979.

The provisions of this agreement create the framework for the success of this joint effort and will insure that this initiative complements and expands and does not conflict with LEAA's already existing Community Anti-Crime Program.

The following provisions are hereby agreed to by the Administrator of the Law Enforcement Assistance Administration and the Director of ACTION:

A. Program Objectives:

1. To involve citywide resources, including citizens community and neighborhood groups, public interest agencies, and governmental officials in a coordinated program development effort to develop a comprehensive urban crime prevention program.

2. To provide financial and technical assistance for the implementation of crime prevention programs by city-wide coalitions which are comprised of neighborhood and community groups and which will work in partnership with locally elected officials.

3. To provide for a mechanism to jointly evaluate these efforts and provide coordinated policy direction.

B. Program Strategy:

1. LEAA and ACTION will develop a joint committee to provide the overall general guidance to the staff assigned to the joint program. Policy, programs, contracts/grants developed by the joint staff will be received by the joint committee and require their approval prior to being presented to the Administrator and Director of LEAA and ACTION. In addition, the joint committee will be the point of contact for resolution of any differences at the staff level. The committee will be comprised of the LEAA Assistant Administrator of the Office of Community Anti-Crime Programs and the designee of the Director of ACTION and one additional staff member from each agency. At a minimum, the joint committee will meet every 30 days after the signing of this agreement to review the Program's progress and, as needed provide guidance on policy. Committee members will not designate substitutes for their presence unless emergency situations exist and the other board members concur with the substitution. Issues unable to be resolved by the joint committee will be submitted in writing within three working days to the two agency heads. The agency heads will consult within 10 working days and render a decision. The Assistant Administrater of the Office of Community Anti-Crime Programs and the principal ACTION designee have the right to bring their objections to any recommendation of the committee to the heads of their prespective agencies after final committee action and before the agency heads render their decision.

2. LEAA and ACTION will each designate a staff person to represent the respective agency during the period of guideline development, program development, identification of recommended sites and eventual joint management of the program. Each agency will attempt to maintain continuity of key staff during the life of the program. Each agency will provide an equal number of staff of the same approximate grade level to fill positions required for program development, implementation and evaluation.

3. Funds for this joint FY 1979 effort are to be made available through the existing $4.5 million of appropriated LEAA funds that are currrently allocated for the Comprehensive Crime Prevention Program and the reprogramming of approximately $5.5 million of existing LEAA appropriations. This agreement is predicated upon receiving from Congress approval to reprogram all or a substantial part of the $5.5 million for use in this joint program.

4. Based upon the existing legal responsibility for the funds that are intended to be used for the program, LEAA will be the point of receipt for all grant applications and will maintain the administrative and financial control over all aspects of all grants, including financial monitoring and auditing. Deviations must be approved by the Deputy Administrator for Policy Development of LEAA. ACTION will simultaneously receive copies of all applications from LEAA generated by this program, and shall have access to all reports records and related memos for their information.

5. The primary goal of the program will be to involve community and private non-profit groups and local units of government in a coalition that actively works toward the prevention of crime and the social and economic problems which foster crime, consistent with the LEAA legislation. The knowledge and assets of both ACTION and LEAA will be brought together to create a new initiative that will combine the volunteer network of ACTION with the knowledge of crime prevention developed by LEAA research and experience over the past decade, plus LEAA appropriated funds and financial management capability.

6. This joint program will be evaluated by an independent contractor jointly selected by ACTION and LEAA and paid for out of the $10 million allocated for this program.

7. Policy development and programmatic management of the program will be a joint effort with the intent of bringing together the assets and experience of both agencies in a manner that will reflect a single program.

8. Coordination will occur based, at a minimum, on the following joint procedures:

   a) Joint development and publication of guidelines, internal procedures, monitoring, evaluation and technical assistance plans.

   b) Joint selection of the cities to be involved in the program.

   c) Joint efforts to involve the local units of government, criminal justice system, public interest groups, private non-profit groups, volunteers, and community groups.

   d) The document reflecting the award of funds for this program will be jointly signed by the head of each of the two agencies.

e) Once entered into the LEAA grants management system, the review and processing of the application will be a joint effort by both LEAA and ACTION designated staffs operating as one unit.

f) All programmatic technical assistance, monitoring and evaluation will be a joint effort utilizing the resources of both agencies.

9. It is anticipated that the grants made under this program will each be for approximately $400,000 and 5 - 15 citizen organizations will receive funds from each grant.

10. This program will insure maximum geographic distribution of funding. No city or community group will be ineligible for funding solely because community groups in that city are receiving Community Anti-Crime or Comprehensive Urban Crime Prevention funds.

C. Programmatic Implementation:

1. Within 15 days of the signing of this agreement, each of the agency heads will designate in writing the names and positions of the staff members to be assigned to this joint program.

2. Within 30 days following the signing of this agreement, a detailed decision memorandum containing the program design and containing a recommendation for use of match or non-match funds shall be jointly developed and submitted to the Acting Administrator of LEAA and the Director of ACTION for their approval.

3. Within 45 days of the reprogramming of funds, LEAA and ACTION will jointly agree on a public notice of the program together with the eligibility criteria to be announced in the Federal Register. Once the program is published, there will be a 30-day comment period.

4. Fifteen days after the end of the comment period, the final program will be announced in the Federal Register and eligible grantees will be invited to submit applications for participation. Selections will be made on a competitive basis.

5. Prior to completing the grant processing procedures, the joint committee will review the staff work for each proposed grant and acknowledge their approval.

6. Within 90 days following receipt of applications, award documents will be presented by the joint staff to agency heads for their approval. This schedule is predicated upon the Committee having approved the recommended policies, internal procedures, selection of cities, and maximum funding levels for the cities.

7. The development of internal procedures for program development, program monitoring, and evaluation will be predicated upon the intent to maximize the cooperation between the two agencies. While it is recognized that the two staffs must maintain an administrative relationship with their respective agency, every effort will be made to have the staffs operate as a joint team with common goals and objectives. Where possible, each visit to a potential participating city or grantee will be accomplished by one staff member from each agency. To the degree possible the team members will accentuate the joint nature of the program and avoid situations that give the appearance of one agency having lead responsibility for the program. To accommodate the need to have one member of the LEAA/ACTION team serve as the primary spokesperson in contacts with a potential or actual resource, localities, grantees, etc., both LEAA and ACTION will divide equally the cities or sites to be considered as grantees and/or those who actually get awards. That division is intended to be limited to accommodate the need to have a primary spokesperson within a group and not for sole authority over the program within that city or state.

8. The designated key staff member from each of the two agencies will officially maintain supervisory responsibility for staff assigned to the program from their agency. However, on a daily operating basis, each of the two key staff members will be recognized by all staff as having equal authority and responsibility for meeting the stated objectives of the joint program.

9. LEAA agrees to provide ACTION with funds to meet their administrative expenses relative to their participation in this joint program. The amount of the funds to be transferred will be based upon an estimated 9-month cost of $230,000 to be prorated upon the passage of time prior to the reprogramming authorization and subject to the availability of appropriation.

10. Within 5 days of the execution of this agreement, ACTION agrees to review LEAA Guideline M 4500.1G, Chapter 1, paragraph 3, page 12, and decide if the model presented can be used to achieve its programmatic goals in participating in a joint effort with LEAA.

11. It is understood by ACTION and LEAA that the funding level is predicated on the option agreed upon. If ACTION agrees to join the program already announced by LEAA, the entire $10 million will be jointly administered. If, however, ACTION decides to develop with LEAA a new program, the model dictates a $5.5 million jointly administered activity and the remaining $4.5 million commitment will support the urban initiative through the commitment of the Comprehensive Crime Prevention Program.

Henry S. Dogin

Sam Brown
Director, ACTION

Henry S. Dogin
Acting Administrator, LEAA

Question 3: You indicate in your FY 80 budget submission on page 55, that fixed-income counseling projects will be available to communities having a population of over 250,000. How was this population figure selected and what plans does the agency have for similar programs in smaller communities.

Response: Cities and other metropolitan jurisdictions with at least 10,000 persons living below the federally recognized poverty level are eligible for Fixed Income Consumer Counseling (FICC) programs. This means that every jurisdiction with a population over 250,000 persons, and most jurisdictions with populations between 100,000 and 250,000 are eligible for FICC programs. In addition, many smaller cities, including several with less than 50,000 population which fall within SMSA's, are also eligible.

Our first-rate demonstration projects have shown that a FICC program's one-to-one and group counseling services can be expected to reach 5,000 clients. This is a workable minimal target for any FICC program, and one that assures a reasonable cost-effectiveness.

Question 4: You propose in FY 1980 to award approximately 1,700 Good Neighbor Fund grants. What system have you developed for allocating and then monitoring such a great number of grants.

As requested in writing for the record, what is the average cost of making and monitoring each grant.

Response: Good Neighbor Fund program monies will be allocated by State, according to the percentage of the nation's urban poor in each state. Criteria will be developed for evaluating Good Neighbor Fund applications; criteria will be designed to insure targeting of funds in distressed urban neighborhoods and involvement of low income persons in the proposed project.

A minimum of four (4) Good Neighbor Fund grants will be awarded in each state and, while the proposed eligibility for this and other Urban programs will be Standard Metropolitan Statistical Areas with 50,000 or more population, those two States (Vermont and Wyoming) without SMSA's meeting the minimum size population will also be eligible.

It is planned that most grants will be developed through ACTION's 49 State Program Offices. Project administration will be along the lines of ACTION's existing Mini-Grant Program, which is analogous in terms of size and complexity. Simple application and reporting forms, common to both programs, will be developed.

ACTION's budget submission for FY 1980 requests funds to support 89 new staff positions, most of which would be in support of the Urban program. The majority of these new positions would go to the State and Regional offices to provide adequate technical assistance and monitoring of GNF and other Urban projects.

Approximately ten percent of all GNF grantees will be formally audited, both in terms of program and budget. It is estimated that each audit will cost an average of $200. In cases where the Agency has reason to suspect the existence of improper uses of GNF funds, its Office of Compliance will perform investigations and audits as necessary.

It is estimated that the cost of awarding each Good Neighbor Fund grant will be approximately $250 to $300 each. This cost includes verifying grant application data, awarding the grant, and processing the award.

QUESTIONS SUBMITTED IN WRITING BY SENATOR NELSON

QUESTION 1: On Page 11 of your prepared stratement, you state that ACTION's proposed neighborhood programs have been well-tested. Please describe in detail this testing, the length of the test period and the outcome of the testing.

RESPONSE: ACTION's proposed Urban Program, including the Good Neighbor Fund and the Urban Volunteer Corps, with its Technical and Management Assistance and Fixed Income Consumer Counseling components, is based on up to five years of experience with demonstration efforts of analogous programs.

The Good Neighbor Fund program concept is based on five years of successful experience with the Mini-Grant Program. Mini-Grants, funded through Title I, Part C of the Domestic Volunteer Service Act, have provided seed-money grants of up to $5,000 but averaging $2,500 to approximately 100 community organizations annually since 1974. While not limited to urban areas, a considerable number of Mini-Grants have in fact been awarded to encourage voluntary urban neighborhood improvement efforts, including:

- o Developing community support networks for isolated senior citizens,
- o Citizen voluntary efforts in such areas as neighborhood beautification, neighborhood restoration, economic development, and prevention of domestic violence,
- o Providing support for low income groups dealing with housing and neighborhood living standards,
- o Providing support for neighborhood volunteer clearinghouses and resource centers, and
- o Mobilizing volunteers to conduct neighborhood arts and crafts classes and providing appropriate instructional materials.

Thus, ACTION has five years of experience with awarded small seed money grants to urban neighborhood organizations and a working awareness of neighborhood issues and concerns, as well as an understanding of how the citizen volunteer may respond.

Further, the Mini-Grant program has provided working experience in the development and monitoring of small grants in a non-bureaucratic but careful manner and with the administrative mechanisms which will be required in the operation of the Good Neighbor Fund.

The Urban Volunteer Corps' Technical and Management Assistance effort has been pilot tested through a grant to the United Way of Cincinnatti, Ohio. This grant, awarded in 1977, funded the Management Assistance

Assistance Project which successfully recruited business executives from such major industries as Proctor and Gamble, General Electric, and the Ernst and Ernst accounting firm to provide voluntary consultant services to neighborhood groups in the Cincinnatti area. For example, Ernst & Ernst personnel provided 60 hours of service to a Free Store developing a fiscal reporting and control system. Mr. Fisler, Director of the Management Assistance Program of the Community Chest and Council in Cincinnati testified February 8, 1979 to the Subcommittee on Child and Human Development on the effectiveness of these projects which incorporate the voluntary service of business executives.

The Urban Volunteer Corps' Fixed Income Consumer Counseling component has been tested through four projects in Colorado; Massachusetts; Georgia, and California. Each of these efforts, the first of which was funded in 1975 (in Denver) and the others beginning in 1978, involved grants to local organizations to organize workshops, develop materials, and mobilize both professional and trained community volunteers to provide assistance to low-income persons living on fixed incomes.

As with the Good Neighbor Fund, the Urban Volunteer Corps concept has been tested not only in developing the program concept, but also in testing the administrative processes necessary to operate the program.

Experience with pilot projects and analogous efforts in the case of Mini-Grants has, in the judgement of ACTION, demonstrated the validity of the concepts and the feasibility of the programs design sufficiently to justify developing a national program.

QUESTION 2: You state the Urban Programs are targeted. What is ACTION's position on limiting these programs only to the low-income?

RESPONSE: ACTION does not propose or recommend the Urban programs be limited to only those persons whose income level is below official government poverty guidelines. It is the agency's intent to target urban programs toward distressed urban neighborhoods and in this way to work with and assist persons who are predominantly low-income. However, the reality of a neighborhood is that rarely do all of its residents fall below the poverty guidelines. Because urban poverty and distressed neighborhoods do not fall neatly into preconceived categories, we believe it is necessary to the success of the programs to have a more flexible defferentiation of distress than is provided by a poverty guideline. ACTION has a strong and continuing commitment to addressing problems of poverty, and it is intended that the Urban programs reflect this commitment. Working with all the residents of distressed urban communities, including but not limited to those officially considered low income, appears the soundest way of combating povesty through the Urban programs.

QUESTION 3: Under the proposed legislation transmitted by ACTION, the Urban Volunteer Programs could serve the general population, not just the low income. What portion of the population that you expect to serve will be low income?

RESPONSE: ACTION anticipates a high percentage of the persons served by the Urban Volunteer Programs will be low income. It is not accurate, nor was it intended, to characterize the ACTION program as being available to the general population. The programs are directed at distressed urban neighborhoods.

In selecting grantees for the Technical and Management Assistance component of the Urban Volunteer Corps and Good Neighbor Fund recipients, the following factors will be used in evaluation of proposals:

1. The extent of neighborhood distress.
2. The extent to which the requesting organization focuses on problems of the poor.
3. The extent of low-income involvement in the organization.

The Fixed Income Consumer Counseling component of the Urban Volunteer Corps is explicitly directed at the poor and near-poor living on fixed incomes.

QUESTION 4: "Distressed urban areas" of 50,000 residents or more will be eligible under ACTION's proposed legislation. Will any funds be provided to states that do not have a "distressed urban area" of 50,000 or more residents?

RESPONSE: ACTION proposes the eligibility for Urban program grants be targeted toward Standard Metropolitan Statistical Areas (SMSAs) with 50,000 or more total population. Within eligible SMSAs, Urban Volunteer Corps and Good Neighbor Fund efforts would be targeted toward distressed neighborhoods.

There are two states which do not have SMSAs with a minimum of 50,000 population. They are Vermont and Wyoming. ACTION proposes that major urban centers in those two states be eligible for urban grants, notwithstanding the general provision that only SMSAs with more than 50,000 peple are eligible. Like the grants to larger centers, volunteer activity in these States would be focused on distressed urban neighborhoods.

Question 5: Many Community Action Agencies (CAAs) under the Community Services Administration (CSA) currently provide the same services you propose to provide the Fixed Income Consumer Counseling Component and the Technical and Management Assistance component. The CAAs utilize local initiative funds and GSA demonstration funds to provide these services. What is the justification of duplicating these activities in new ACTION programs? If a national program is needed (as opposed to those developed on the local level by CAAs), why shouldn't the program be administered by the Community Services Administration?

Response for the Record: There are significant differences between the services provided by CAA's and the programs in the Fixed Income Consumer Counseling (FICC) and the Technical and Management Assistance (TMA) components of ACTION's Urban Volunteer Program, even though the programs may have similar objectives. The most significant difference is that ACTION's urban initiatives are aimed at mobilizing the community's volunteer strength to solve pressing unmet needs. The TMA program will recruit volunteers from throughout an urban area, and match the skills they possess with the needs of neighborhood organizations in distressed areas. The neighborhood organization determines what types of skills it needs. Many of the neighborhood organizations to whom volunteers are referred will undoubtedly be affiliated with, are receiving assistance from Community Action Agencies.

Similarly, FICC grantees could also be CAA's or affiliates. There will be situations, however, where another organization - a Senior Citizens group, for instance, may be better equipped than a CAA to obtain the volunteers and reach those in need of service than a CAA.

There are at least two reasons why these programs should be administered by ACTION rather than CSA. The first is that ACTION is the federal agency with primary responsibility for volunteer programs. As such, it has the experience and the knowledge of volunteer recruitment and support techniques which will be needed to successfully adminiuter these programs. The second is the scope of these programs in broader than the typical CSA program. Volunteers will be recruited from the entire SMSA by the TMA lead agency. Few CAA's cover an entire SMSA. Volunters will be referred to organizations in distressed urban areas. While these areas are often low-income areas, or have low-income residents, it is the purpose of the Urban Volunteer Programs to address the causes of stress - which will require the volunteers to work with a broader range of groups than those which have exclusively poverty focus.

That the programs of ACTION and those of CSA have similar objectives is understandable. Both agencies have their roots in the Economic Opportunity Act of 1964. What is different is the methods used. ACTION programs provide volunteers which strengthen and supplement the efforts of CAA's and other organizations. It is not their mission to compete with, displace, or duplicate the efforts of other agencies. Our legislation has been carefully drawn to assure that our urban programs will not duplicate existing activities.

QUESTION 6: What criteria are proposed to be used in determining eligibility for assistance under the Fixed Income Consumer Counseling Program, the Good Neighbor Fund and the Urban Volunteer Corps? Will eligibility be limited solely to those with low incomes in any of these programs?

Response: Proposed criteria will be published in the Federal Register and provision made for comment by interested persons and groups prior to any final enactment of such requirements.

ACTION's proposed criteria are not solely limited to low income persons. Distressed neighborhoods normally may be expected to have a high proportion of low income residents, but rarely if ever are exclusively low income. Administering an income eligibility test would be difficult if not impossible in such circumstances, and would not facilitate the concept of all neighborhood residents working together to address common concerns. These criteria for evaluating potential Urban grantees consider the extent of neighborhood distress, the extent to which the potential grantee focuses on problems of poverty and the involvement of low income persons in the proposed activity.

Good Neighbor Fund (GNF) applicants must be from Standard Metropolitan Areas (SMSAs) and meet the following criteria:

- be private, non-profit neighborhood based organizations.
- have organizational goals consistent with the Fund (GNF); especially with its volunteer emphasis.
- be structured for the participation of urban poor clients in both the organization and the project activity.
- be knowledgeable about community needs.
- have reasonable capability for fiscal control.
- have a reputation for integrity.

Successful applicants for the Fixed Income Counseling Program (FICC) must also be in an SMSA and preferably have at least 10,000 poor in their city. Applicants must meet the following criteria:

- be an existing public or private non-profit organization which has entree to and acceptance by a broad base of interests including minority groups and socio-economic classes, local government agencies, private volunteer organizations, local business organizations, and the academic community

Question 6

- be multi-purpose, serving all age groups particularly older Americans, and having experience in providing direct assistance to a variety of organizations and individuals, e.g., the elderly, single heads of households, AFDC recipients, etc.

- have experience in recruiting, training, and supervising volunteers

- have experience in social service

- demonstrate management capacity

- exhibit sensitivity to obtain input on programming services from clients and community residents, and be able to use feedback from clients or constituency in improving services and service delivery

- demonstrate a significant need for specific FICC activities and shows how objectives for the funds requested will be achieved

- assess the long-range impact of the program and identify means for institutionalizing the services of the project beyond ACTION funding

Succesful Technical and Management Assistance (TMA) lead agency aplicants will be from SMSAs, and be from a city which has either high percent of poverty, significant outmigration, substantial old housing stock, or high unemployment. The agencies must meet the following basic criteria:

- be an existing private non-profit organization, non-municipal public agency, co-op, credit union, limited dividend corporation for low income housing, or neighborhood coalition

- have entree to and acceptance by a broad base of interests including minority groups and socio-economic classes, local government agencies, private volunteer organizations, local business organizations, and the academic community

- have related experience in providing direct assistance (preferably technical) to client organizations

- have experience in recruiting, training and supervising volunteers of same type

ACTION will also apply the following additional criteria once an appplicant has met the aforementioned basic requirements;

- have experience in social services
- demonstrate management capacity
- exhibit sensitivity to and capacity to use feedback from clients or constituency
- have a working board of directors with cross community interests and representation
- have ability to attract professional staff persons who are experienced in providing direct consultation in technical and management assistance subjects
- have strong links to business and professional persons/associations and other skilled people which can be used to stimulate volunteer activity

QUESTION 7: What activities will "lead agencies" be engaged in? What limitations will be placed on the activities of "lead agencies?"

Response for the Record: In the legislation submitted by ACTION in 1979 for the Urban Program, the "lead agency" is descriptive only of organizations awarded project grants for the Technical and Management Assistance component of the Urban Volunteer Corps. This response, however, describes the function of all organizations awarded Urban Volunteer Corps project grants.

Organizations awarded TMA or FICC grants will be responsible for conducting an assessment of community needs and marketing volunteer service through contact with community leaders, public service announcements, press releases, etc. The grantees will also recruit, train, place and supervise the volunteers, pay some volunteer out-of-pocket expenses, maintain a volunteer skills bank and conduct client follow-up.

To insure adherence to the intent of the Urban Volunteer Program, ACTION will monitor the projects and provide technical guidance through project policy manuals and using ACTION field staff to insure that activities of "lead agencies" are strictly focused on either Fixed Income Counseling topics or Technical and Management Assistance topics.

Sponsors of ACTION Urban projects will be subject to the prohibition on using ACTION funds or volunteers on political activities. This limitation, which is applicable to all ACTION volunteer programs, will be rigorously enforced through ACTION field staff monitoring.

QUESTION 8: Will volunteers or funding be used to change or alter the decisions of the local, state or the federal governments? Will volunteers or funding be used for advocacy activities? Please describe what types of advocacy activities, if any, would be carried out?

Response for the Record: Neither urban volunteers nor funding will be used to change or alter the decisions of local, state or federal governments. This is to say that volunteers and funds will not be permitted to focus upon altering existing legislative and policy decisions. However, we anticipate that the work of the volunteers will have an impact on administrative decisions such as eligibility judgements regarding individual welfare cases.

Advocacy will be an aspect of the service provided by Urban Volunteer Corps projects. For example, part-time, uncompensated volunteers serving in Fixed Income Consumer Counseling projects might work with poor and near-poor neighborhood residents living on fixed incomes to share information regarding eligibility for public assistance programs and to explain provisions for citizen participation in public hearings in matters of public interest. Bilingual written information might be developed to enable non-English speaking residents to have access to this information. It should be emphasized that in no circumstance will ACTION-funded volunteers initiate or participate in any political activity or lobbying.

Finally, ACTION's Urban Program grants will be subject to the same prohibitions on political activity as all other ACTION projects. ACTION will carefully monitor all grants to ensure these prohibitions are enforced.

QUESTION 9: President Carter has proposed a fiscal year 1980 budget which does not accommodate the continuation of current services levels for the nation's social programs. In light of the President's commitment to fiscal austerity, why should a new program be created at this time? Doesn't it make more sense for both the Congress and the Executive Branch to expand our energies on the thorough evaluation of existing programs before new ones are established? Where will $25 million come from to pay for this new program? What existing program(s) will be reduced in order to pay for the Urban Volunteer Corps?

RESPONSE: ACTION's FY 1980 budget submission to the Congress, including the proposed Urban program, was carefully reviewed by the Office of Management and Budget and represents what the Administration believes to be a prudent and non-inflationary allocation of public resources. ACTION's proposed Urban activities form a part of the President's urban initiatives announced in the Spring of 1978. They are intended to respond to a major area of national concern and do so in a cost-conscious, non-inflationary manner.

The Urban programs are designed to complement, rather than compete with or duplicate, other existing Federal programs. They are directed at distressed urban neighborhoods and at mobilizing the citizen volunteer resources to strengthen and encourage neighborhood residents and organizations in their efforts to revitalize their communities. Volunteers, including highly skilled professionals, will serve on an uncompensated basis and ACTION estimates that $11 of service will be provided for $1 of public funds invested. Projects supported through the Good Neighbor Fund and the Urban Volunteer Corps will measurably benefit neighborhood residents. For example, a Gallup Poll in 1978 estimated that Urban Gardens can save up to 10% of a family's grocery bills. "Sweat equity" neighborhood housing renovation may save between 30% and 50% on construction costs.

It is the Administration's position that the Urban program proposed by ACTION is an anti-inflationary response to meeting the needs of distressed urban neighborhoods. It is an appropriate allocation of public funds in a time of fiscal restraint. It does not, and is not intended to, compete with or substitute for existing social service programs and was not approved on a "trade-off" basis. For these reasons, the Administration's proposal is that ACTION be authorized to initiate the Urban program and that requested funds be appropriated to begin implementation of this activity in FY 1979 and that the program be carried out on a national basis in FY 1980.

QUESTION 10: Why doesn't this proposed new program also provide the same services to rural areas?

RESPONSE: ACTION's proposed Urban programs were developed as a part of the President's urban initiatives announced in March, 1978. As such, it is part of a comprehensive package designed to build a partnership between the Federal government and the nation's cities. ACTION's intent is to target the programs to distressed urban neighborhoods in Standard Metropolitan Statistical Areas of 50,000 or more population (with the caveat that urban areas in the two states - Vermont and Wyoming - which have no SMSA's of 50,000 or more people also be eligible).

ACTION does have a legislative requirement that there be an equitable distribution of program resources between urban and rural areas and for all programs other than Urban this is, in fact, the case. Further, ACTION has a strong commitment to addressing the needs of the rural poor. An agency task force has been established under the direction of the Associate Director for Domestic Operations, John Lewis, to explore ways ACTION can better meet rural needs. ACTION's proposed budget for FY 1980 includes funds for rural demonstration projects under the authority of Title I, Part C of the Domestic Volunteer Service Act. In the past year, ACTION has funded a number of innovative efforts within existing programs to address rural concerns, including the award of a National VISTA grant to, among other rural groups, the Federation of Southern Cooperatives and the issuance of new Senior Companion Program grants to organizations serving native Americans in rural New Mexico and the frail elderly in rural northern Idaho and Maine.

Question 11: Section 7 of S. 239, introduced by Senator Cranston, would create a new Part D in Title I of the Domestic Volunteer Service Act of 1973. In this proposed Part D, Sec. 113(a) (2) (c) requires that in the selection of lead agencies, special consideration be given to organizations and agencies which have demonstrated their effectiveness in serving persons in distressed urban areas, with priority given to community action agencies of such demonstrated effectiveness where the program in the urban areas in question will focus predominantly on low-income persons served by such agency. The Administration's bill transmitted to the Congress contains the same requirements for special consideration, but does not give priority to community action agencies. Since the mayor will have approval power over what agency is designated as the lead agency, why shouldn't existing community action agencies that have demonstrated their effectiveness in carrying out many of the functions of the Urban Volunteer Corps and the lead agency be given priority in the selection process?

Response for the Record: We believe that selection of a lead agency should, to the maximum extent possible, be a local decision. To the extent any particular type of agency is given a nationally imposed priority, the ability of residents of the locality, and local public officials to select the best possible lead agency is impaired. We anticipate that the local CAA will often be the best qualified agency, and will be selected as the lead agency. However, even CAA's of proven effectivenss may not, in some situations, be best qualified as lead agencies for a volunteer program. The characteristics of a lead agency, as specified in our proposal are demonstrated effectiveness in:

1. Serving persons in distressed urban areas.
2. Mobilizing volunteers.
3. Coordinating volunteer assistance programs.
4. Working with other public and private agencies and volunteer organizations.

In addition, lead agencies will have to be able to mobilize volunteers and match their skills with the needs of neighborhoods throughout an entire Standard Metropolitan Statistical Area - an area which is broader than the jurisdiction and area of expertise of many CAA's.

We have required, in our proposal, that all CAA's be given individual notice of the application process and criteria for selection of lead agencies. They will have an opportunity to compete with other agencies for designation as lead agencies. We think this competition is healthy, and that it will produce the most effective programs. Where CAA's are the most effective agencies, we have no doubt they will be selected without being exempted from the competitive process.

QUESTION 12: Given that the country has limited resources, why should assistance be provided to other than low-income areas? The $25 million requested to operate the Urban Volunteer Corps is probably not enough to serve only urban low-income areas. Why does it make sense then to spread limited resources over a much broader population, as the Administration Bill proposes? Won't this further dilute any positive impact this program could have?

RESPONSE: The intent of ACTION's proposed urban programs is to address the problems of distressed urban neighborhoods. This effort will be targeted toward low-income communities, while not imposing an arbitrary income test on participants. The poor do not fall neatly into urban low-income areas in many cases. To solve the problems of stress, it is necessary to involve all the residents of the neighborhood, and to look at neighborhoods which may be in transition - either to low-income, or to high-income neighborhoods. These are frequently the neighborhoods which have the greatest stress, and in which the low-income residents have the most need of assistance.

ACTION agrees that $25 million is a modest amount of money given the concerns of the nation's cities. However, these funds will reach an impressive percentage of the eligible urban areas. It is estimated that in FY 1980 Technical and Management Assistance projects will include 40% of cities with 1,000,000 or more population, 85% of cities over 250,000 and 47% of cities over 50,000. It is projected the proposed 115 fixed income consumer counseling projects will reach between one and two million poor and near poor citizens living on fixed incomes. The almost 1,700 Good Neighbor Fund grants will impact on a substantial portion of distressed urban neighborhoods. By mobilizing the services of uncompensated volunteers, ACTION intends to make the limited dollars which have been requested to go a long way to measurably impact on a substantial portion of distressed urban neighoorhoods.

Question 13: You cited "sweat equity" housing projects and urban gardens as examples of the types of activites the urban volunteer program conduct. Both the the examples cited are projects developed by, and currently being carried out by community action agencies with the assistance of the Community Service Administration. Why should ACTION establish a new program that would also carry out the same activities?

Response: The Urban Volunteer Programs are designed to complement and support existing efforts to revitalize distressed urban neighborhoods, including those supported by the Community Services Administration and other Federal agencies. ACTION, as the Federal agency for voluntary service, focuses on the mobilization and support of voluntary efforts to address these concerns, both by providing skilled professional and trained community volunteer assistance to grassroot neighborhood organizations through the Technical and Management Assistance component of the Urban Volunteer Corps and to poor and near poor neighborhood residents living on fixed incomes through the Fixed Income Consumer Counseling activity. It also provides small, seed money grants of less than $15,000 through the Good Neighbor Fund to support community voluntary neighborhood betterment efforts. These efforts, ACTION believes, do not duplicate existing programs of other Federal agencies and in fact are a natural complement.

Question 14: How many VISTA Volunteers have been placed in community action agencies since the inception of the VISTA program? Please provide a year-by-year (through FY 78) accounting of the number of VISTAs placed in community action agencies.

Response: Through FY 1978, 13,133 VISTA Volunteers have served with community action agencies.

Fiscal Year	No. of Volunteers Serving With Community Action Agencies
65	27
66	121
67	268
68	609
69	867
70	1,177
71	1,430
72	1,637
73	1,585
74	1,363
75	1,037
76	959
TQ	562
77	630
78	861
Total	13,133

QUESTION 15: Have there been any change in VISTA program policy towards the placement of VISTA volunteers in community action agencies? Please describe the current ACTION policy on the placement of VISTAs in community action agencies.

Response: There is no ACTION policy regarding the assignment of VISTA Volunteers to community action agencies. The test for selecting any project for placement of VISTA Volunteers in whether that placement will lead to an increased voice for low-income people in the decision-making processes of their community.

In March, 1978 new criteria for the selection of VISTA projects were issued thereby establishing coherent national standards for project selection. All VISTA projects are expected to be in compliance with these standards by July 1, 1979. These criteria focus on the assignment of volunteers to grassroots groups which are controlled and operated by those served. Whenever possible VISTAs assist sponsors to better organize and advocate the interests of the low-income people they serve.

QUESTIONS SUBMITTED IN WRITING BY SENATOR RIEGLE

Question 1: To what extent are ACTION programs coordinated with programs administered by other agencies but directed at the same problems, i.e., with HUD neighborhood programs, with legal services programs, and with community health programs?

Response: ACTION's joint programming efforts are divided into three categories: (1) those between programs within the Agency like VISTA and ACTION's Older American Programs (2) those between specific ACTION programs (VISTA, RSVP, SCP, FGP and other federal agencies (3) and special joint programming efforts such as ACTION's new anti-crime program with LEAA.

Category I - Joint programming between various ACTION programs. In the last two years there has been a concerted effort to link ACTION's domestic programs. We believe that in linking our programs, ACTION not only improves their effectiveness, but demonstrates that people regardless of their age, race, economic condition, or profession can work together to build their communities.

Our most recent evaluation of RSVP, for example, (September, 1978) indicates that 41% of the 568 projects surveyed have coordinated their activity with another ACTION program. We are firmly convinced that the reason 20% of all VISTA projects are designed to serve the elderly is because VISTA has recognized the important contribution of our OAVP programs. Four examples may illustrate the various way ACTION's program can be linked.

In New York, VISTA volunteers are working with RSVP volunteers in 17 counties organizing the handicapped into advisory groups. These groups are often the only stimulus for the implementation of the new legislation regarding education for all handicapped children and serve as advocacy groups for the rights of the handicapped.

In Rhode Island, 20 RSVP volunteers and 30 SCP volunteers organized by VISTA volunteers have successfully enabled the elderly poor to obtain retroactive SSI payments from the state.

The Senior Citizens Association in Elyria, Ohio, sponsors both a rural VISTA project and an RSVP project. The VISTAs recently developed a Nursing Home Ombudsman Program in which RSVP volunteers are the ombudsmen. The program has been so successful that VISTA and RSVP volunteers are now working jointly to expand into new areas. In addition, the VISTA and RSVP volunteers are working together to set up senior centers in remote parts of the country.

and to promote tenants' rights for elderly people who rent.

The National Citizens Coalition for Nursing Home Reform was awarded a National VISTA grant in September, 1978, involving 35 VISTA volunteers. The Coalition was organized to improve conditions in nursing homes at the local and state level, with a goal of mobilizing individual consumers and other consumer groups from around the country to become actively involved in nursing home reform activities. There are 32 members groups and 40 individual affiliates. VISTA and RSVP volunteers serve jointly through the coalition to improve conditions in the nation's nursing home system.

Category II - Linkage between specific ACTION programs and other federal agencies

The majority of ACTION's cooperative agreements have been arranged through ACTION's Older American programs (Retired Senior Volunteer Program, the Senior Companion Program, the Foster Grandparent Program). These programs have eight on-going and four pending agreements with national agencies (see attached list). The majority of these agreements are of course with the Adminsitration on Aging, but formal cooperation has been reached between other divisions of HEW as well as HUD, DOT, and the National Fire Prevention and Control Administration. At the local level, each OAVP project is administered by a local sponsor. Most of these sponsors also received some other type of Federal support.

Although VISTA is a national program, the programming is done at the state level in response to specific local requests. Except for a few national grants there is no programming done at the national level. On the local level, however, a large number of the projects work in cooperation with the local offices of a wide variety of Federal agencies.

Some cooperative agreements have been or are being developed at the national level. For example, ACTION is currently in the pre-planning state of developing an agreement with HUD to provide VISTA volunteers as organizers for tenant associations that are recipients of grants from a $10 million anti-crime program in public housing projects.

ACTION also has developed a cooperative arrangement with the Community Services Administration (CSA) to support and complement each other's effort. The 10 regional directors of both agencies met last October in Washington to develop this arrangement. Since that time each region on its own has continued to develop cooperative arrangements to meet local needs.

At the national level, ACTION is providing VISTA volunteers to 14 CAP agencies that have been selected by CSA to be part of CSA's Incentive Program. This program is directed at shifting the resources of these agencies from service delivery to community organizing.

In addition, to this arrangement, some of VISTA's national grantees receive additional funding from other federal agencies. For example, one of VISTA's national grantees, the National Citizens Coalition for Nursing Home Reform which was awarded a $250,000 grant, received an additional $176,000 grant from AOA to train state ombudsman largely because of ACTION's initial funding to this organization.

Another ACTION grantee - the Federation of Southern Cooperatives Association receives funding from CSA.

Category III - Special joint programming efforts between ACTION and other federal agencies.

ACTION has developed four other joint programming agreements with federal agencies.

(1) ACTION/CSA/Department of Agriculture, ACTION, has been a co-sponsor of a nationwide effort to organize small farms and develop a national small farms policy. Working with CSA and the Department of Agriculture, ACTION sponsored five regional small farm conferences in preparation for a draft policy.

(2) ACTION/LEAA. As part of the President's Urban program ACTION has a joint agreement with LEAA to develop a $10 million neighborhood anti-crime program in the next fiscal year. This program will support and complement ACTION's urban programs that are now before Congress for authorization.

(3) ACTION/Department of Labor/Department of Interior. The Youth Community Services (YCS) volunteer program is a national demonstration project in Syracuse and Onondaga County, New York, that can provide up to 1,450 youths, ages 16 to 21, with stipended volunteer opportunities to participate in meaningful community service projects for one year.

YCS was developed by ACTION, the federal volunteer agency, as a model to test the concept of a voluntary, community-based national youth service. The program is being funded by an $8 million grant from the Department of Labor's Youth Employment Program.

On May 9, 1978, ACTION officially awarded a planning grant for YCS to a non-profit community-based organization in Syracuse that was created to administer the pilot program. The name of the non-profit organization is Youth

Community Service Demonstration Project/Syracuse (YCS/S). YCS/S is run by a 21-person board of directors that includes representatives of the city, the county, business civic and religious organizations, as well as community, youth and neighborhood groups. YCS/S is responsible to ACTION as a grantee of the federal agency. The Heritage Conservation and Recreation Service of the Department of the Interior also is participating in the Youth Community Service project by providing technical support to youths who will serve in recreation-oriented projects.

(4) ACTION/Department of Labor. ACTION is developing a full-time volunteer program with the Department of Labor entitled the Youth Employment Support Volunteer program (YES) to provide a volunteer experience for unemployed youth. These youth will be given an opportunity to develop work habits and an employment record while providing needed social services to communities.

Question 2: What effort is made to attract volunteers who have experienced the problems they work to combat, i.e., fixed-income volunteers for income counseling, ex-criminals for youth crime prevention programs?

Response: In each of the programs where involvement of the recipients is appropriate, ACTION has made a major effort to attract volunteers who have experienced the problems they work to combat. This effort has been highly successful. The clearest example is that of the Senior Companion Program where 100 percent of the volunteers are from the low-income elderly population, the very population being served by the Senior Companion volunteers. In VISTA, 73 percent of the volunteers are recruited by local sponsors and most of these volunteers actually serve in their own communities. Considerable creativity is shown by the VISTA projects in selecting and creatively using volunteers who are personally familiar with the problems being addressed by the local project. For example, VISTA's who are recovered alcoholics have established Sobriety Hall- an outpatient center for alcoholics in New Haven, Conn. During an average week, 150 people, largely minorities, visit the Hall for therapy or social interaction. VISTA is also utilizing ex-offenders and, in some cases, incarcerated felons in programs aimed at aiding other offenders. A project in Charlotte, N.C. is especially effective using ex-convicts to help other ex-convicts.

About 15 percent of the VISTAs are senior citizens, many of whom are helping other senior citizens. In the Colorado Congress of Senior Organizations, for example, 67 VISTAs, all age 55 or over, have organized a transportation system to serve the elderly in every county in Colorado. Similarly, the Massachusetts Association of Older Americans sponsors 58 VISTAs who are senior citizens and assists other seniors in health and housing problems throughout the state.

The Youth Community Service Program (YCS), currently active in Syracuse, recruits volunteers from the local area who are primarily low-income youth and have themselves experienced poverty in Syracuse. Adjudicated youth who have been referred by the Syracuse juvenile court system are included in the program and given service opportunities.

In addition, ACTION has worked with the Alliance of Volunteerism of the National Association of Neighborhoods to develop test projects in four cities in response to President Carter's Urban Package. In this program we work together with business and private volunteer groups on common projects.

Question 3: What proportion of VISTA volunteers are assigned to poverty areas? Are most volunteers assigned to areas that need them most, or simply those most anxious to get them?

Response: Each VISTA assignment must meet the statutory requirements that it address a poverty-related problem. Volunteers, to the extent feasible, live among and at the economic level of those served. Most volunteers are assigned, and live, in poverty areas.

ACTION is required by law to equitably distribute the benefits of its programs between urban and rural programs. It has also followed a practice of assuring that volunteers serve throughout the country. The requests for volunteers far exceed our ability to supply them. In addition to need, which is a first criterion, preference is given to proposals which emphasize activities that will provide benefits such as an improved capacity to deal with problems of poverty which will continue after the volunteers have completed their assignments and have left the area.

Question 4: What efforts are made nationally to attract volunteers? Are these efforts directed at special groups or scatter-shot?

Response: ACTION volunteers are recruited in two basic ways. Nationally, volunteers are recruited by ACTION's Office of Recruitment and Communications. All Peace Corps volunteers and about 35 percent of VISTAs are recruited in this manner. The second way in which volunteers are recruited is from within the community being served through organizations receiving grants to sponsor ACTION-funded projects. All Older American Volunteers, including Foster Grandparents, Senior Companions, and Retired Senior Volunteers, are recruited in this way, as are about 65 percent of VISTAs.

National recruitment of Peace Corps and VISTA volunteers involves both general and targeted recruitment. Through public service media advertising and disemmination of informational material ACTION seeks to acquaint prospective volunteers with the goals and purposes of the programs and the terms and conditions of volunteer service. Field based recruiters, most of them former Peace Corps and VISTA volunteers, conduct community and college campus recruitment campaigns, at which interested persons are informed regarding specific service assignments in both programs.

Targeted recruitment is directed at persons with skills in specific demand, such as persons with agricultural, health, and engineering skills for Peace Corps and attorneys and city planners for VISTA. Targeting is done through recruiting at appropriate professional conferences, college departments, etc. A second and very high priority area of targeted recruitment reflects a stong commitment to attracting an increased number of minority Americans as Peace Corps and VISTA volunteers. This commitment is reflected in the creation of a Minority Recruitment Task Force within ACTION which is examining programming as well as recruitment to identify barriers to recruitment of minorities and ways by which minorities will increasingly be drawn to volunteer service. This priority is reflected in the agency's FY 1980 budget request for the recruitment function and in the hiring of more minority-background recruiters, an increased focus on minority colleges and communities with significent numbers of minority citizens and appropriate recruitment materials, including bilingual brochures.

Question 5: Is the mayor always the appropriate person to get involved in volunteer programs? Do you have a system for informing and consulting with city councils, sub-city divisions (i.e., boroughs)?

Response: The proposal that mayors or chief elected officials of cities have a systematic role in approving or clearing on proposed ACTION projects is applicable only to the proposed Urban programs. These proposals which would be reviewed and implemented through publication in the Federal Register as proposed regulations, are reflective of the President's urban policy proposals which articulated a partnership between the Federal government and the cities.

It is not proposed there be any structured system for approval by other elected or appointive entities within city governments. However, a critical aspect of the way ACTION goes about reviewing and negotiating proposed projects is through consultation with the people of the community being served. Also, the proposed Urban legislation contains a requirement that applications for grants be coordinated with other local agencies especially Community Action Agencies to prevent duplication of effort.

Other ACTION domestic volunteer programs have their own structured systems for clearance by responsible local officials. VISTA is legislatively required to submit proposed projects to the Governor of the appropriate state; the Governor then has 45 days to veto the proposed project. The Older American program grants are subject to standard Federal regulations that require review by state clearinghouses and to specific legislative mandates that require State Agencies on Aging and Community Action Agencies to review and comment on Older American project proposals within a 45 day period.

Question: What was the Agency's formal response to the investigation report? (Provide a copy)

Response for the Record: Formal response is attached.

REPORT OF THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS

POLICIES, PROCEDURES, AND PRACTICES OF ACTION

TABLE OF CONTENTS

Page

SUMMARY -- i

CONCLUSIONS AND RECOMMENDATIONS ------------------------ xix

I. INTRODUCTION -- 1

A. Directive -- 1
B. Scope of the Investigation --------------------------- 1
C. Background --- 1

II. FOREIGN SERVICE APPOINTING AUTHORITY-- USES AND ABUSES -- 3

A. Background --- 3
B. The CSC and Conversions ------------------------------ 4
C. Eleventh-Hour Hysterics ------------------------------ 7
D. The Present Situation -------------------------------- 7
E. The "Fifth Column" Myth ------------------------------ 8
F. The Jim Fare Incident -------------------------------- 9

III. INCREASE IN OTHER EXCEPTED AND SENIOR MANAGEMENT POSITIONS ------------------------------ 11

A. Increase in Noncompetitive Positions ----------------- 11
B. Supergrade and Supergrade-Equivalent Positions ------- 13
C. Staffing of the Director's Office -------------------- 13
D. Foreign Service Positions Unchanged ------------------ 14

IV. CONSIDERATION OF PAST EARNINGS IN QUALIFICATIONS EVALUATION ---------------------------- 16

A. Evaluation of Qualifications ------------------------- 16
B. Qulaifications Review -------------------------------- 17

V. EXPERTS AND CONSULTANTS ------------------------------ 19

A. Poor Information on Experts and Consultants ---------- 19
B. Number of Experts on the Increase -------------------- 20
C. Use of Experts --------------------------------------- 22
D. The John Parr Incident ------------------------------- 23

VI. PEACE CORPS EMPLOYMENT POLICY ----------------------- 25

401

Page

VII. REORGANIZATION -- 26
  A. Background -- 26
    1. Reorganization Task Force ---------------------- 26
    2. Constraints -- 27
  B. Findings -- 27
    1. Costs of Reorganization ---------------------- 27
    2. Accomplishments--Other Than Domestic Operations ---------------------- 27
    3. Changes in Domestic Operations Field Organization ---------------------- 28
    4. Domestic Operations Headquarters Changes ---------------------- 29
    5. Reorgranization and the Urban Program ---------------------- 30
  C. Conclusions -- 31
    1. Plan Ill-Conceived ---------------------- 31
    2. Costs Excessive ---------------------- 31
    3. Field Restructuring a Myth ---------------------- 31
    4. Need for Program Office Buildup Questionable ---------------------- 31

VIII. NATIONAL VISTA GRANTS PROGRAM ---------------------- 33
  A. Background -- 33
  B. Findings - Approval Process ---------------------- 35
    1. Criteria Disregarded in Selecting Sponsors ---------------------- 35
    2. Policy Waivers for National VISTA Grants ---------------------- 37
    3. State Director and PRB Recommendations Overruled ---------------------- 38
  C. Findings - Implementation Process ---------------------- 38
    1. Training Inadequacies ---------------------- 39
    2. Supervisory Training and Restricted Activities ---------------------- 42
    3. State Officials Wary of National Grants Projects ---------------------- 43
  D. Findings - Evaluation Process ---------------------- 43
  E. Conclusions -- 45

Page

IX. COMMUNITY ORGANIZATION RESEARCH ACTION PROJECT --------- 48

A. Background -- 48
B. Findings -- 49

1. VISTAs Not Working With Poor People ------------------------------ 49
2. No Evidence of Community Takeover ------------- 50
3. VISTAs Involved in Proscribed Activities ------------------------ 51
4. Accounting ------------------------------------- 5[illegible]
5. Monitoring Inadequate ------------------------- 5[illegible]
6. Action on Office of Compliance Findings -------- 55
7. National Grant Terminated --------------------- 58

X. MIDWEST ACADEMY -- 59

A. Background -- 59
B. Findings -- 59

1. No National or Multi-regional Affiliations ------------------------ 59
2. Lack of Uniform Training Program --------------- 60
3. Poor Selection of Sponsors -------------------- 62
4. Questionable VISTA Activities ------------------ 63

XI. THE NATIONAL CENTER FOR URBAN ETHNIC AFFAIRS ----------- 66

A. Background -- 66
B. Findings -- 66

1. Recommendations for Sponsor Disapproval Overruled ------------------------ 66
2. Inadequate Living Conditions During Training Sessions --------------------- 68
3. Need for Measurable Goals --------------------- 69
4. VISTAs Working in Nonpoverty Areas ----------------------------- 70
5. Questionable Need for Nine Training Sessions ----------------------- 70
6. Attrition Rate Excessive ---------------------- 72

XII. NATIONAL PUBLIC INTEREST RESEARCH GROUP CLEARINGHOUSE -- 73

A. Background -- 73
B. Findings -- 73

1. Poverty Orientation Doubtful ------------------ 73
2. Issues Not Established Locally ---------------- 74
3. New York PIRG and Lobbying -------------------- 75

Page

XIII. NATIONAL COUNCIL OF LA RAZA ---------------------------- 76

A. Background -- 76
B. Findings -- 76

1. Undue and Unnecessary Delay ------------------ 76
2. Poor Project Planning ------------------------ 77
3. VISTAs Performing Direct Services ------------ 78
4. VISTAs Performing Staff Work ----------------- 79

XIV. NATIONAL ASSOCIATION OF FARMWORKERS ORGANIZATION ------- 81

A. Background -- 81
B. Findings -- 82

1. Initial Recruitment Unsuccessful ------------- 82
2. Experience Limited --------------------------- 82
3. Many Questions Unanswered -------------------- 83
4. Lobbying With Federal Money ------------------ 86
5. Current Status ------------------------------- 86

XV. IMPROPER PROCUREMENT PRACTICES ------------------------ 88

A. Questionable Practices ---------------------------- 88

1. Absence of Procurement Planning -------------- 88
2. Violation of Statutes ------------------------ 90

a. Determination and Findings Authorizing Negotiation of Contracts ------- 90
b. Synopsis of Procurements ------------------ 91
c. Certificate of Current Cost or Pricing Data ---------------------- 91

3. Imprudent Activities of Program Officials ------------------------- 92

a. "Authorization" of "Precontract Costs" ------------------------ 92
b. Imprudent, Premature Discussions ---------- 93

4. Questionable Use of Minority Firm 8(a) Awards --------------------- 94
5. Nonrecovery of Costs for Canceled Training Courses ------------------- 95

Page

6. Questionable Evaluation of Competitive Procurements ---------------------- 97

   a. Importance of the Statement of Work ---------------------------- 97
   b. Importance of the RFP --------------------- 97
   c. Best Technical Proposal Versus Meeting the Government's Requirement ------- 97
   d. Potential for Manipulation ---------------- 98

      (1) Establishment of Broad Categories ------ 98
      (2) No Base Line for Acceptability --------- 98
      (3) No Indicator of Relative Importance of Subcategories ------------ 99

   e. Examples of Subjectivity of Evaluations ---------------------------- 99

7. Contract Closeout Problems -------------------- 103

B. Dominance of Program Technical Personnel -------------------------------- 104
C. Need to Reevaluate the Placement of Procurement Within the Organization --------------- 104

XVI. FINANCIAL MANAGEMENT CONTROLS ------------------------- 105

A. Weaknesses of Accounting Division ----------------- 105
B. Unauthorized Obligations of Funds ----------------- 106
C. Failure to Report a Known Violation of the Anti-Deficiency Statute (31 USC 665) -------- 108
D. Questionable Travel Practices --------------------- 109

   1. Improper Vouchers Submitted for Overseas Travel --------------------------- 109
   2. "Back-Door Financing" of Staff Travel ------------------------------- 110

XVII. INDEPENDENT OFFICE OF INSPECTOR GENERAL --------------- 112

SUMMARY

The Investigative Staff was directed to make an investigation of the policies, procedures, and practices of ACTION. More than 200 persons were interviewed which included ACTION management officials, employees, contractors, grant project directors and supervisors, and VISTA volunteers--both former and present. In addition, ACTION files and documents pertaining to areas of interest to the Investigative Staff were reviewed and analyzed. The Investigative Staff traveled to 5 ACTION regional offices and visited the ACTION State directors in 12 States and 45 VISTA projects in 22 States.

A. Personnel

The review focused on the conversion of ACTION personnel from foreign service to civil service, changes in the number and staffing of excepted and senior management positions, and the use of experts and consultants.

1. Conversions Not Politically Motivated

The Investigative Staff found no evidence of political motivation behind the blanket conversion of some 149 ACTION employees from foreign service to civil service. Neither did the Investigative Staff find any evidence of a reported "fifth column" within the agency, made up of upper-level holdovers from the prior administration who acquired job tenure as a result of the conversion exercise. The Investigative Staff can only conclude that ACTION officials have been in error in assuming or implying that past manipulation of the personnel system is in some way related to the ineffective accomplishment of current agency programs.

In early 1974, the Civil Service Commission made a personnel management inspection of ACTION, concluded that foreign service appointments for other than Peace Corps operations were improper, and directed the agency to develop a plan for eliminating the dual personnel system in agencywide support offices. ACTION had difficulty with some of the details of the recommendation, but the Investigative Staff could find no evidence in the record of the agency ever having objected strongly, in principle, to the idea of eliminating foreign service positions in support offices. Neither could the Investigative Staff find any suggestion that the exercise was viewed as an opportunity to provide the incumbents with civil service tenure and other benefits. The attitude seems more likely to have been related to a turnover of personnel in several key positions and a sincere effort to establish a base for better personnel management in the agency. Negotiations with the Commission continued through the spring of 1976, at which time the conversion plan was implemented on the basis that ACTION would limit future foreign service appointments to the Peace Corps and to the FS-1 and FS-2 levels.

While there is some confusion about how many employees were included in the exercise, the best information available to the Investigative Staff indicates that 149 were actually converted and another 35 employees were reinstated. Other data compiled by the ACTION personnel staff would indicate that well over half of the employees were lower-level clerks and technicians and the remainder were supervisory or middle management. Some 28 employees, most of whom were FS-1, FS-2, and FS-3, remained in foreign service positions subsequent to the conversion. Four of these employees are still with the agency.

As of September 30, 1978, ACTION had a total of 25 foreign service employees working in support offices, or 3 fewer than immediately after the conversion. The agency still has no written policy on how positions in support offices will be filled. The Investigative Staff can understand ACTION's reluctance to use only general schedule employees in support offices, but it cannot agree with the position. While the flexibilities of the dual personnel system may be highly desirable from a management standpoint, there are just not enough safeguards to prevent its abuse. In the hands of a willful director, it could still be used as a means for circumventing merit hiring principles. To avert the possibility and encourage better personnel management in the agency, the Investigative Staff believes ACTION should adopt a firm policy of filling agencywide support offices with Civil Service personnel only.

2. Increase in Non-Competitive Positions

The report entitled "U.S. Government--Policy and Supporting Positions" (popularly known as the "Plum Book") is generally considered to be reflective of the "political jobs" in an agency. The last official "Plum Book" was issued by the House Committee on Post Office and Civil Service in November 1976, with information current as of September 3, 1976. Comparison of the "Plum Book" with a corresponding report current as of March 30, 1978, and prepared by the ACTION personnel office shows a net increase of 30 "political" jobs broken down as follows:

-- There has been no change in the number of executive level positions. This number is fixed at six by statute.

-- Noncareer executive assignment (NEA) positions have increased from three to six. NEA appointments are made to positions of a confidential or policy-determining character and are exempt from most civil service rules and regulations governing appointments and employment.

-- Schedule C positions have tripled, increasing from 11 to 33. Schedule C positions are similar to NEAs except for classification below the supergrade level.

-- Other excepted positions GS-14 (or equivalent) and above have increased from 81 to 86. The increase is made up of 11 more Peace Corps country directors and medical officer positions, 2 fewer other FS-1, -2, and -3 positions, and 4 fewer selected Schedule A and B positions.

ACTION currently has a total of 30 supergrade and FS-1 and FS-2 positions. This is a net increase of five positions over the past 2 years which represents an additional six supergrade positions and one less foreign service position. The agency is currently authorized a total of 10 supergrade positions, 1 of which was still double encumbered at the time of this report with both a career GS-16 and an FS-2 employee.

With the change in national administrations and appointment of the current Director of ACTION, the number of positions in the Office of the Director increased markedly over prior staffing levels. The number peaked on June 30, 1977, at which time 58 positions were reported. An official with whom the matter was discussed showed an awareness that staffing levels were high, offered some explanations, and advised of plans for reducing total staff down to about 25 employees by the end of the fiscal year (1978). This goal was subsequently achieved.

3. Past Earnings Not Considered in Evaluating Qualifications

The Investigative Staff found that ACTION largely discounts past earnings in the private sector as a factor in evaluating qualifications and setting salary levels for appointments to excepted positions. In June 1977, the Civil Service Commission officially endorsed this practice. In August 1977, the Commission further facilitated the filling of excepted positions with marginally qualified people by abdicating its statutory responsibility for evaluating the experience of appointees to noncareer executive assignment positions. As a result of these developments, ACTION (as well as the other departments and agencies) has had a free hand in getting those employees wanted for high-level positions, regardless of qualifications and without any second-guessing by Commission examiners.

To review how ACTION has evaluated qualifications, the Investigative Staff looked at 36 cases involving appointment to Schedule C and other excepted positions. Generally, when the appointee was either a career or former career employee, the case posed no qualification problem. In other cases, however, involving mainly appointees without Federal experience, the salary at which the employee was hired was more difficult to reconcile with past earnings in the private sector. In eight cases reviewed, the appointees realized salary boosts of over $15,000 each per year.

The maximum increase of over $20,000 went to a high-level management official in the field organization who had been previously working as a legislative analyst for a State legislature. Close behind with an increase of over $18,000 was a more recently hired headquarters official who, with the appointment, almost doubled his prior earnings.

4. Experts on the Increase

ACTION is authorized to hire intermittent consultants and experts under both the Domestic Volunteer Service Act of 1973 and the Peace Corps Act of 1961. The Peace Corps Act also provides ACTION with a special personal service contracting authority which has been used mainly to hire instructors to provide language and other training for Peace Corps personnel abroad.

Available historical information on man-days worked and expenditures for expert and consultant services is not reliable. Other reports prepared by the agency over the past 18 months suggest that even current information is inadequate.

The best data currently available for FY 1978 indicates an expenditure of $868,000 for intermittently employed experts. This compares with a corresponding expenditure of $653,000 for the first 12 months of FY 1976, or of $733,000 when adjusted for salary increases. The difference indicates that an estimated 1,268 more staff-days were worked by experts in 1978 than 2 years earlier.

For the full 2 fiscal years, overall expenditures are as follows:

	1976 (15 months)	1978
Intermittent Experts	$ 939,000	$ 868,000
Personal Service Contract	1,815,000	1,395,000
TOTAL	$2,754,000	$2,263,000

Rules governing the use of experts and consultants are clearly stated in Civil Service Commission publications and in an ACTION agreement with the Commission, but the agency has not observed these rules in many instances. Illustratively, the Investigative Staff found that the agency used its consultant appointment authority extensively and improperly to facilitate the early placement of personnel hired incident to the change of national administrations, hired experts to serve in ongoing staff positions, set pay at levels not commensurate with past earnings, and incorrectly designated all employees hired under the special authority as "experts," regardless of the work to be performed.

B. Reorganization

The ACTION reorganization to implement the "new directions" for the agency was begun in August 1977, and the work was completed some 10 months later. Peace Corps was not included in the review.

The reorganization was spearheaded by a special task force at a total cost of $147,000. The only major constraints were that (1) no personnel were to be adversely affected by any of the changes, and (2) the instructions outlined in an earlier policy memorandum issued by the Director were to be adhered to closely. These policies included emphasis on "meeting human needs," delegating decisionmaking authority to the State office level, and increasing program office authority in the budget and training areas.

Realignments outside the area of domestic operations were accomplished with relative dispatch. These included the establishment of an Office of Voluntary Citizen Participation made up of a number of functions formerly performed elsewhere in the agency, and merger of the advertising functions of public affairs with the former recruitment office to form an Office of Recruitment and Communications. The latter change largely re-created the organizational structure existing before July 1976.

Realignment of the domestic operations field structure posed the dilemma of how to strengthen the State office role without relocating regional office personnel and, therefore, proceeded more slowly. The issue was never really satisfactorily resolved, with the result that reorganization of the field structure turned out to be largely an empty gesture. Accomplishments included a plan for delegating additional authority to State directors in the areas of budget development and execution, project approval, and volunteer personnel actions. To support the changes, a total of 40 positions are to be transferred from the regional to State offices. About half of the positions were vacant, and none of these were funded. As for the remainder, three had actually transferred along with employees as of October 1978, and a time lag of 2 to 3 years was estimated before any meaningful additional numbers would be moved.

Concurrent with realignment of the field structure, the program offices (VISTA/ACTION Education Programs and Older American Volunteer Programs) were increased by 18 positions. A bloated headquarters staff is difficult to reconcile with the objective of strengthening the State office role, and the Investigative Staff believes the need for these additional positions should be reconsidered.

C. National Grants Program

The national grants program was devised as a means of getting across a new VISTA philosophy in the quickest possible way. National grants differ from traditional VISTA grants in that they are not restricted by State or regional boundaries and are administered by ACTION, Washington. Twelve national grants in the total amount of about $4 million were awarded during the first year of the program. All 12 grants were awarded noncompetitively.

The rules governing selection of VISTA sponsors are spelled out in the VISTA policy guidelines, but ACTION has not observed these rules in numerous instances. The Investigative Staff found volunteers working in many communities and with constituencies that would not qualify under the Community Services Administration poverty income guidelines for participation in Federal programs designed to help the poor. VISTA volunteers were also found working with groups whose chances for survival without the continued services of a full-time organizer were poor, and, contrary to the guidelines, many projects were approved without the sponsor having quantified the goals and objectives against which the progress of the project could be objectively measured.

ACTION operating policies were changed to make it easier for grants to be approved under the national program. As a result of these waivers, volunteers have been assigned to a number of local sponsors who were never incorporated as nonprofit organizations. Sponsors have been approved without onsite visits, and costs have increased from an average unit cost of $5,748 for a standard VISTA to $6,418 for a national grant volunteer.

ACTION State director recommendations for approval or disapproval of projects were often overruled by either the Project Review Board (PRB) or the VISTA director, and, in at least one national grant, the PRB, was overruled on several of the projects by the VISTA director. If State director and PRB recommendations are to be arbitrarily overruled, the procedure raises some questions about the value of an elaborate approval process.

Program office officials maintain that national grant sponsors are capable of providing better training for volunteers than agency staff. State and regional officials dispute this contention. The Investigative Staff found that training provided by national grantees varied widely in the length of training and course content. Some volunteers were given no training at all or as few as 2 or 3 days while others had received over 20 days. Training provided by some sponsors emphasized community organizing topics while training provided by others focused on ethnicity and culture shock. The Investigative Staff was unable to discern any difference in the quality of work performed or attitude of VISTAs extensively trained by the national sponsor and [illegible] not trained at all. Attendance at training is not comp[illegible], and the Investigative Staff found many volunteers who had missed one or more training sessions without any opportunity or apparent need for making them up.

A combination of poorly trained supervisors and inadequate monitoring has resulted in national grant VISTAs becoming involved in restricted staff-related work, union organizing, and political activities. These situations may not have developed if project supervisors had been better trained to draw the line between proper and improper VISTA activity, and if the State directors, who might ordinarily have been expected to pick up the violations, had an interest in monitoring the projects properly.

State officials were almost unanimous in feeling they had little input into the program and, as a result, placed national grants at the bottom of their priorities. The impression was given that national grants was regarded as a Washington program and State officials did not want to be involved.

Evaluations of national grants have been accomplished by ACTION's Office of Compliance and Office of Policy and Planning. The Office of Compliance has to date reviewed three grants and issued two reports. The Office of Policy and Planning had reported on 37 projects under 5 national grants. These evaluations disclosed many of the same program weaknesses found by the Investigative Staff. State offices also have a responsibility in the evaluation process, but the role is as yet largely undefined.

1. Community Organization Research Action Project

The Community Organization Research Action Project (CORAP) is an organizational spinoff of the Association of

Community Organizations for Reform Now (ACORN) organization. It was established for the purpose of receiving and administering VISTA grant funds. The grant was awarded in the amount of $470,475 in September 1977.

ACORN is a national organization with community-based groups in 13 States. In addition to operating at the neighborhood level around issues of local concern (new street light, stop sign for pedestrian crossing, clearing away an abandoned house), all ACORN community-based groups are organized around broader regional or national issues of interest to all members (public utility rates, repeal of a State sales tax on food and medicines). Community groups determine their own local issues and strategies, but the larger issues are decided by an executive board made up of elected community representatives.

The job of the VISTA volunteer is to serve as a community organizer. His main responsibility is to seek out, set up, and work with both new and established neighborhood ACORN organizations. Membership is built up mainly by doorknocking.

Contrary to the intent of the Domestic Volunteer Service Act, many volunteers assigned to CORAP were not reaching poor people. This conculsion is based on the Investigative Staff's own observations, the comments of a number of VISTAs and State officials, and on ACORN's own philosophy of building a "majority constitutency" made up of all people shut out of power or, more specifically, "low to moderate income" families.

Community self-reliance is one of the primary thrusts of ACTION's "new directions." The Investigative Staff saw no evidence of self-sufficiency developing in ACORN neighborhood organizations to which VISTAs were assigned. It was the perception of most volunteers that community takeover was impracticable. Further, community takeover is not an ACORN goal.

The Domestic Volunteer Service Act imposes restrictions on VISTAs engaging in political or labor union organizing activities. Volunteers assigned to CORAP were involved in the Arkansas primary election this past spring, and other VISTAs in the St. Louis area have escorted ACORN members to the State capital on legislative lobbying missions. Five VISTA volunteers in New Orleans were activitely engaged in organizing a labor union for household workers in the area until directed by the ACTION Office of Compliance to terminate the assignments. All VISTAs assigned to the grant are still indirectly involved in labor organizing activity by collecting ACORN membership dues which are used, in part, to pay the salary of the chief organizer, who is personally responsible for the household workers' union organizing drive.

Accounting under the CORAP grant, especially for subcontractor expenses and for ACORN contributions, has been careless and inadequate. The main subcontractor billed training expenses on the basis of estimated rather than actual costs, and no accounting records were kept to support the actual costs of $165,000 for services and supplies which ACORN agreed to contribute to the grant.

Monitoring of ACORN projects by State offices has been almost nonexistent. Combined with ACORN's predisposition to make its own rules, this has resulted in volunteers being freely moved around both within and outside of the State to which assigned and in ACTION State offices often not having any idea where VISTAs were working or what they were doing.

ACTION's Office of Compliance completed a review of the CORAP grant in March 1978 and, in a critical report, made recommendations on training, excessive attrition, political activity, and volunteer support. ACORN responded favorably except for volunteer support, in which area it was still trying to renege on a commitment to contribute up to $18,000 to provide volunteers with automobiles.

In September 1978, CORAP advised ACTION that it did not intend to apply for an extension of the grant. The decision was attributed mainly to adverse publicity.

2. Midwest Academy

Midwest Academy is a training institution for community activists. In October 1977, the academy was awarded a VISTA grant in the amount of $432,235. The grant provided for placement of 85 volunteers in 20 "grassroots" organizations to help poor people gain the organizational skills to improve their lives. One of the three officials approving the grant was a consultant to ACTION at the time, and another was the executive director of one of the local organizations selected to receive VISTAs.

National grantee organizations have been described as groups with national or multiregional affiliations and with projects of national impact or of special interest because they address a problem of high priority to ACTION. Midwest Academy does not meet these criteria. Midwest is in no way affiliated with any of the local sponsors under the grant and provides no supervision over their activities. While some of the local groups had used Midwest's training and consulting services in the past, others were only recently formed and had no prior association whatever with the organization.

Midwest has not provided uniform training for all volunteers assigned under the grant. Some had received 10 days of training, others from 2 to 5 days, and still others had received no preservice training at all. While the length of training varied, the grant application provided for a 10-day living allowance for each volunteer while in training, and the allowance was given to each volunteer upon entering the service. This raises questions about the possible overpayment of living allowance to a number of volunteers. Some of the handout training materials contain passages which could be considered objectionable to some and language which is not considered appropriate for VISTA training. Congress may wish to consider the philosophy contained in the training materials to determine if it is in keeping with the legislation which authorizes the program.

Midwest said it would select local sponsors with solid funding and with a history of success in helping poor people, but, in practice, these standards were largely disregarded. Eleven of the groups selected were organizations set up to improve the lot of workingwomen. Most of these groups were staffed with only one person (the VISTA volunteer) and were funded with little more than enough money to pay for the telephone and supplies. Their chances for community continuance without VISTA support were practically nil.

Volunteers assigned to one Midwest project were engaged in a labor union organizing drive when interviewed by the Investigative Staff. The target was the jewelry workers in Providence, Rhode Island. Neither the project supervisor nor the two VISTAs were aware of doing anything improper. The ACTION State director knew about the activity but did not visit the project or make any effort to stop it. ACTION's Office of Complaince subsequently reviewed the project as part of an overall Midwest inspection and directed that union organizing be stopped.

Contrary to VISTA guidelines, other volunteers were engaged in staff-related activities, and, at another project, volunteers appeared to be working more to save a middle-class neighborhood landmark (a country club) rather than serve the poor.

3. National Center for Urban Ethnic Affairs

The National Center for Urban Ethnic Affairs (NCUEA) is an umbrella organization which provides technical assistance and funds to some 300 affiliated community-based activist groups which are involved in a wide range of fields including crime prevention, drug rehabilitation, urban revitalization, and community organizing. In November 1977, the organization was awarded a national grant in the amount of $491,106. The grant provided for the placement of 75 VISTAs with some 39 affiliated local sponsors and for training of the volunteers for careers in community organizing.

Of the 39 organizations proposed as local project sponsors, 11 were disapproved by either a State director, the Project Review Board, or both, and a number were conditionally approved. All but one were ultimately approved. Since award of the grant, five of the questionable sponsors have either voluntarily left the program or have been asked to leave. Other questionable sponsors whose projects were visited by the Investigative Staff were not working with poverty constituencies. The overall pattern indicates that State director comments should have been given more weight in the selection of projects.

Housing and messing arrangements provided for volunteers during training sessions were unduly austere and resulted in hardship for some of the older volunteers. Standard VISTAs are housed at facilities with adequate living quarters and toilet facilities or they are given per diem to pay for proper food and quarters. This raises some question about why lesser accommodations should be provided for national grant VISTAs.

ACTION policy requires local sponsors to set up time-phased and measurable goals and objectives, but the policy was waived, in effect, for most NCUEA projects. As a result, volunteers were unaware of what exactly they were expected to accomplish and the evaluation of projects has been ineffective.

A number of volunteers assigned to NCUEA projects are not working in predominately low-income communities and serving the needs of poor people. Of 13 projects visited, an estimated 7 were aimed mainly at lower middle-income neighborhoods with, perhaps, some poverty-level pockets. Some projects seem to be aimed more at stabilizing neighborhoods to keep them from deteriorating and becoming low income rather than at improving the lot of poor people.

The NCUEA grant provides for up to 27 days of training for volunteers, and there is some evidence that this is excessive. For example, many volunteers have missed a number of training sessions but the impact on their performance has been negligible. Further, the excessive training has created hardship for several locally recruited volunteers with family responsibilities and who cannot spare the time away from home.

Attrition under the NCUEA grant has been excessive. The high rate was attributed mainly to competition with the CETA program, which, in a number of areas, offers better pay for the same work.

4. National Public Interest Group Clearinghouse

The National Public Interest Group Clearinghouse is the headquarters for the Public Interest Research Group (PIRG).

PIRG is a public interest advocacy organization focusing on such issues as consumer legislation, utility rate increases, and voter registration. The organization is made up of 30 independent State PIRGs, each of which has its own board of directors. In November 1977, the Clearinghouse was awarded a $289,767 grant to train and place 45 VISTAs.

Prior to award of the national grant, PIRG efforts were aimed at the general public and not necessarily the poor. To get VISTAs, the Clearinghouse agreed that they would be assigned only in low-income communities. This arrangement has not been altogether successful. In both New York City and Albany, New York, the Investigative Staff interviewed VISTAs who were not working in low-income neighborhoods. Further, the problems being addressed were not typically proverty issues but rather problems of middle-class families and declining neighborhoods. These included property taxes, redlining, and small claims actions.

ACTION policy emphasizes placing volunteers with self-governing "grassroots" organizations, but the PIRGs do not conform with this model. PIRG policy and issues are typically established at the State level by a board of directors. Local groups, such as those to which the volunteers are assigned, then organize around these issues. The local groups do not have their own policymaking bodies but only steering committees which develop the tactics and strategies to carry out State policy.

The New York PIRG, which was visited by the Investigative Staff, supports an active legislative lobbying program at the State level. While there is no evidence of any direct volunteer involvement in these activities, the availability of VISTA resources may make it easier for the organization to divert manpower to the lobbying effort.

5. National Council of La Raza

The National Council of La Raza (NCLR) is a Washington, D.C.,-based advocacy organization dedicated to furthering the interests of Mexican-Americans. NCLR is loosely affiliated with some 108 local groups, most of which are located in the Southwest and each active in its own community in sponsoring programs to improve opportunities for Chicanos. In April 1978, NCLR was awarded a $265,266 grant to place 40 VISTAs with affiliate groups in a 5-State area.

Mainly because of the poor quality of project proposals, approval of the NCLR grant took over 8 months. The extended delay raises questions about the efficiency of the national grants' process. ACTION State directors are much better situated to provide sponsors with technical assistance and support in developing projects than are officials in Washington, D.C. At the same time, no discernible benefits were derived from awarding the grant to a national sponsor rather than to individual projects through regional and State offices. NCLR has little to do with administration of the grant, it has no training component, and it provides no policy guidance or supervision over local sponsors to which VISTAs are assigned.

In spite of all the time taken to rewrite the projects, the Investigative Staff found no evidence of their quality having been improved. Chicanos Por La Causa, a project approved over the objection of the State director, is illustrative. No planning had been done for use of the VISTAs, and, as a result, all three assigned were being used as "cheap staff" (the perception of the volunteers themselves) rather than as organizers as described in the project proposal.

The VISTA guidelines clearly state that volunteers are not to perform direct services, but two of the projects visited by the Investigative Staff were using VISTAs as teachers. If the activity was in any way related to an overall organizing strategy, this was not apparent, and, upon completion of their tour, the VISTAs will either have to be replaced or the service discontinued.

Other volunteers interviewed by the Investigative Staff were performing staff-related work, also contrary to VISTA guidelines. These activities included serving as a teacher's aide, employment interviewing, drug counseling, and grantsmanship.

A number of these potential problem areas were anticipated and reported by State directors and should have been resolved before the NCLR grant was approved.

6. National Association of Farmworkers Organization

The National Association of Farmworkers Organization (NAFO) is a Washington, D.C.,-based coalition of farmworker groups established for the purpose of advocating and lobbying for the civil and labor rights of migrant and seasonal farmworkers. In April 1978, NAFO was awarded a grant in the amount of $49,775. It was intended as a pilot project which, if successful, would be expanded in the fall of 1978 to support an additional 35 volunteers. As of mid-October, evaluation of the pilot project was still pending.

VISTAs working with NAFO are to be assigned to amenable "family" crews in one of the three migrant streams for the purpose of organizing advisory councils and educating farmworkers about their civil rights and protections under other applicable laws.

Initial recruitment efforts under the grant were unsuccessful. Of the five potential volunteers recruited in June 1977, only one remained with the program. Four additional VISTAs were subsequently hired and placed but not until well after the pilot project was supposed to get under way.

Because of recruiting difficulties, experience at the time the Investigative Staff reviewed the grant was limited to the activities of the one intial recruit who had remained with the program. She was assigned to the Delmarva Ecumenical Council (DEC) and was trying to identify migrants or other local farmworkers with a potential for leadership and an interest in being trained to serve on the DEC Executive Board. This assignment was expected to continue until later in the year at which time it was planned that the volunteer would go to Florida for the citrus harvest.

Many questions have been raised about the NAFO grant which reflect a fundamental concern about the practicability of the concept. These questions have been left largely unanswered by the pilot project. Among the main concerns are the following:

-- It is difficult to conceive of growers being amenable to the idea of VISTAs moving in and organizing farmworkers on the growers' own property for whatever purpose. At best, the volunteer will have to conceal his identify as a federally funded worker, and the Investigative Staff considers such a deception to be totally improper.

-- Supervision of the VISTAs is to be provided from Washington, D.C., by the project director and by two roving multistate supervisors. It is doubtful whether the widely spread out volunteers will be able to get meaningful guidance under this arrangement, and the solution lends itself to communication breakdowns and problems of accounting for and locating VISTAs in case of emergencies or for other reasons.

-- The food and lodging allowance for NAFO volunteers was set at $125 a month as compared with a national average of $219 a month. The lower allowance is based on an assumption that VISTAs will live in work camps or other low cost accommodations. If the arrangement does not work out, NAFO has guaranteed payment of actual expenses in excess of the allowance. While Government interests are protected by the guarantee, the health and welfare of the volunteers could well be compromised if the plan fails.

-- NAFO is not a labor organization, but responsible concern has been expressed about volunteers assigned to the grant getting involved in union organizing activity. The recent effort to disrupt the tomato harvest in Ohio and organize the farmworkers was supported by at least one NAFO affiliate organization--La Raza Unida of Columbus, Ohio. The organizing drive was run by the Farm Labor Organizing Committee (FLOC), another organization with ACTION associations. It is difficult to conceive of a VISTA being part of such a scene without getting involved.

-- NAFO is a registered lobbying organization. NAFO also receives over 90 percent of its funding from Federal sources. The withdrawal of this support would result in major curtailment of the organization's activity, if not mean its end. It follows that Federal money, in this case, is being used to sustain a lobbying organization.

D. Contracts

The Investigative Staff found that ACTION procurement practices often conflict with regulatory and statutory requirements and tend to limit competition unduly. The tendency of program staff to dominate the procurement process and the lack of management support for the procurement function also contribute to the problem.

1. Improper Practices

ACTION regulations governing procurements provide for Advance Procurement Planning, but the Office of Grants and Contracts Management has not insisted on program office compliance with this requirement. The purpose of advance planning is to provide the administrative lead time necessary to make the purchase and contract award in compliance with pertinent laws and regulations. As a result of short periods of time allowed for the procurements by the personnel who establish the requirements, ACTION has received proposals from only a limited number of experienced contractors. This kind of limited response tends to favor existing contractors as well as limiting competition for all potential bidders.

Many examples were found in the contract files of potential violations of the statutes authorizing procurement by negotiation, requiring synopses of current procurements, and obtaining certificates of cost or pricing data. With some consistency, negotiated procurements have been initiated or even completed without any determination that the usual requirement for formal advertising could be waived. Also, with some consistency, ACTION has not complied with statutory requirements for synopsizing procurements in the Department of Commerce Business Daily and for obtaining a Certificate of Current Cost or Pricing Data on each contractual action exceeding $100,000.

ACTION program officials involved in the procurement process have engaged in imprudent activities. These have included "authorizing" commencement of work without a contract, developing statements of work jointly with contractors, and obtaining budgets from contractors for use as in-house estimates. As a result of these actions, contractors have been exposed to the risk of not receiving payment for work performed without proper approval, and preselection of contractors has been fostered.

ACTION placed a contract with a minority firm to secure the services of a specific individual not otherwise available without competition. The placement of the contract not only circumvented Government requirements for competitive procurement, but caused the minority firm problems because of an unrealistic delivery schedule, delayed payments, and the contract performance period was extended without allowance for cost increases. Another contract was awarded for training in the amount of $495,746 that resulted in considerable waste. The latter contract was for the training of Peace Corps volunteers in Brazil, but difficulties were encountered when the Brazilian Government delayed the issuance of visas to the trainees. As a result, training plans had to be revised and the contract amount was increased to $592,514. However, the new plan did not work out, and, ultimately, a number of courses were canceled, in-service training was cut back, and the number of trainees was reduced, but the estimated contract amount was never adjusted to reflect the changes.

Even when procurements are competed, ACTION's practices cast doubt on the integrity of the competition and make source selection suspect. Requirements are not adequately described and Requests for Proposals (RFPs) consistently provide inadequate information to ensure that contractors and evaluators have a common basis for determining that proposals meet the Government's requirements. Undue pressures are, at times, exerted to insist on award of contract to the source with the best technical proposal rather than to the lower bidder who meets the Government's requirements. The selection of personnel without technical program expertise to serve on reviewing panels and the general lack of harmony between requiring offices and the Contracts and Grants Management Division also serve to lessen confidence in the source selection procedure. Because ACTION evaluations are subjective to an unusually high degree, technical evaluators can manipulate or "back into" selection of a preferred source. The subjectivity is largely attributable to flaws in the ACTION approach to source selection, which include the establishment of categories for scoring and evaluation which are too broad and conducive to manipulation, and frequent failure to establish a base line for acceptability in the RFP. Examples of the subjectivity of evaluations abound and are described in the body of this report.

ACTION has a chronic backlog of contracts completed but not closed out. Unclosed contracts to provide training are a concern because they often contain unexpended funds which can be deobligated. During FY 1978, ACTION had only one part-time employee working on contract closeouts, but he has since been terminated; at the time the Investigative Staff's review was concluded, no one was assigned to the work.

2. Program Staff Domination

The Investigative Staff found that program technical personnel tend to dominate the procurement process at ACTION and engage in activities which under law and regulation, and in accordance with sound business practice, fall within the responsibilities of the contracting officer. Such technical personnel could benefit from an orientation course designed to provide a better understanding of the procurement process.

3. Organizational Placement of Procurement Function

Under the present management structure, the Contracts and Grants Management Division has little contact with the ACTION Director. The Investigative Staff believes the degree of dominance of program technical staff over the procurement process is related to the lack of visibility this arrangement affords to the Director of Contracts and Grants Management and suggests the need to reevaluate the organizational placement of the procurement function.

E. Financial Management Controls

The Investigative Staff found an accounting system in need of further refinement, violations of the Anti-Deficiency Statute, and travel irregularities.

1. Accounting System

ACTION's problems with its accounting system date back to the establishment of the agency, at which time a number of noncompatible systems were brought together. In 1974, the agency engaged a major accounting firm to design and install a new system at a final cost of some $500,000. On June 30, 1975, when the changeover to the new system was made, there were reportedly still many errors in the file. On June 24, 1978, the General Accounting Office (GAO) approved the design of ACTION's General Ledger Accounting System. While ACTION has done much to improve accounting practices in recent years, complete and accurate information requested by the Investigative Staff was not always readily obtainable from the system.

2. Unauthorized Obligations

For three brief periods during the first quarter of FY 1978, ACTION was required to operate without either an appropriation or a continuing resolution to support its domestic operations. During one of the periods, ACTION was also without obligational authority to support Peace Corps activities. The Investigative Staff found that during these periods, ACTION officials executed contracts, purchase orders, grants, and an interagency agreement in apparent violation of the Anti-Deficiency Statute. Also during these periods, obligations were incurred for staff travel and new employees were hired.

In another instance, ACTION acknowledged three violations of the statute involving contracts in a total amount of over $22,000. While these unauthorized obligations were brought to the attention of the Director's office by the agency General Counsel, no action was taken to comply with requirements for reporting the violations to the Office of Management and Budget (OMB) and the Congress until long after the Investigative Staff made known its interest in the cases.

3. Travel Irregularities

The Investigative Staff found that some ACTION staff, including high-level officials, have been submitting improper expense vouchers for official travel in Peace Corps countries. Contrary to instructions in the Peace Corps manual, these employees have been provided lodging without charge in Government-leased quarters but have been claiming full per diem amounts. Apart from citing past practice, ACTION officials were unable to provide any satisfactory explanation as to why the regulations have been ignored.

The Investigative Staff found other improprieties in the travel area. On at least three occasions, two employees had travel costs to Cuba and to the People's Republic of China subsidized with the understanding that the employees would share their experiences by writing trip reports. While the employees were not on official travel, reimbursement of partial expenses was, in effect, accomplished by not charging the travelers annual leave for the time away from the job.

F. Inspector General Functions

In February 1978, ACTION restructured its former Inspector General (IG) office and established in its place the Office of Compliance. In addition to being responsible for the usual IG functions of audit and investigation, the Office of Compliance supervises the agency's Equal Employment Opportunity (EEO) program. Further, as part of the restructuring, the former

IG responsibility for reporting criminal violations to the Justice Department was transferred to the ACTION Office of General Counsel.

The Investigative Staff is concerned about the compatibility of these changes with the interest of Congress in encouraging the establishment of independent Inspector General offices. The merger of EEO with IG functions creates the potential for a conflict of interest and is not in accord with Congressional intent on the subject of program responsibilities as stated in PL 95-452. Transfer of responsibility for liaison with other agencies is also contrary to the intent of Congress and detracts from the independence and organizational status of the IG function.

CONCLUSIONS AND RECOMMENDATIONS

The Investigative Staff's findings demonstrate the apparent weaknesses in ACTION's overall management of its personnel, procurement, and budget and finance programs. The findings concerning the National Grants Program not only demonstrate the inefficiencies in administering the $4 million program, but also the improper use and ineffectiveness of grants in meeting intended goals to reach low-income communities. This raises the question whether Congress should redirect or discontinue such grants in light of the improprieties identified.

The recommendations that follow are directed toward improving overall management in the personnel, budget and finance, and procurement functions. Also, certain legislative considerations are set out which the Congress may wish to consider regarding the National Grants Program.

To strengthen personnel management the Investigative Staff recommends that the Committee require ACTION to:

-- Adopt a firm, written policy to control foreign service appointments below the FS-1 and FS-2 levels in agencywide support offices.

-- Develop reporting and management control procedures to assure accountability for man-days worked by experts and consultants and compliance with Civil Service Commission rules with respect to setting pay rates, titling positions, and using such employees properly.

-- Reconsider the need for the increase in personnel ceiling approved for headquarters program offices as a result of the reorganization.

To strengthen procurement management, the Investigative Staff recommends that the Committee require ACTION to:

-- Issue an instruction requiring program office compliance with the Advance Procurement Planning procedure directed by Order 2620.1.

-- Provide, by training or otherwise, for better orientation of program staff in the statutory and regulatory requirements governing the procurement process.

To strengthen the budget and finance function and to preclude violations of the Anti-Deficiency Act and ACTION's regulations, the Investigative Staff recommends that the Committee require ACTION to:

-- Develop controls for assuring that personnel authorized to obligate funds are aware of restrictions on making any expenditures at times when the agency is without an appropriation.

-- Report promptly Anti-Deficiency violations to OMB and the Congress, as required by the Statute.

-- Observe the agency's own regulations and discontinue immediately the practice of reimbursing full per diem to travelers using Government-furnished quarters.

To establish and assure independence of an Office of the Inspector General, the Committee may wish to consider having ACTION:

-- Review its current organization--the Office of Compliance--for conformance with Congressional interest in encouraging the establishment of an independent Inspector General office.

The Investigative Staff suggests that the Congress may want to consider the following legislative matters concerning the National Grants Program:

-- Prohibit further use of VISTA funds for National Grants, based on the findings of this report.

-- Review in depth the legislative history of the VISTA program and redefine Congressional intent with respect to program directions and volunteer activities.

If Congress decides that the National Grants Program should not be terminated, but modified or redirected, the following recommendations are being made to improve program efficiency and effectiveness. ACTION should then be required to:

- Develop a more positive role for State offices in the development, implementation, and monitoring of National Grants projects.
- Conform with agency grant management regulations requiring on-site evaluation of potential projects, incorporation of project sponsors as nonprofit organizations, and unit cost ceilings.
- Require project sponsors to conform with agency instructions for quantifying and time-phasing project goals and objectives.
- Develop standards for identifying low-income communties consistent with Community Service Administration poverty income guidelines and assure those standards are met before VISTA volunteers are approved for a project.
- Evaluate potential sponsors more realistically for chances of community continuance of the organization without VISTA support.
- Develop more uniform standards for training of VISTA volunteers (standard and National Grant) both with respect to course content and length of training.

I. INTRODUCTION

A. Directive

By directive dated March 22, 1978, the Committee requested that an investigation be made of certain policies, procedures, and practices of the ACTION agency. The investigation was to include but not necessarily be limited to:

-- personnel policies and practices, particularly with respect to excepted service positions, Foreign Service Reserve positions, and the use of consultants.

-- internal budgetary procedures, including the allotment and control of funds within the agency and adherence to the activity structure in the budget as presented to Congress.

-- the contracting policies of the agency.

-- the selection of grantees in the VISTA program.

B. Scope of the Investigation

The information requested by the Committee was developed through interviews with ACTION management officials, both present and former, employees, grant project directors and supervisors, and VISTA volunteers. The Investigative Staff conducted interviews with more than 200 personnel employed or otherwise associated with the agency in a volunteer status.

In addition to the interviews, ACTION files and documents pertaining to areas covered by the directive were reviewed.

The regional offices of ACTION in Chicago, Ill., Boston, Mass., Atlanta, Ga., Dallas, Tex., and New York, N.Y., were visited. In addition, the State director offices in 12 States were visited and contractor and 45 VISTA grantee projects in 22 States were also visited.

In one instance, the Investigative Staff was refused, by the grantee, certain records and/or documents pertaining to a VISTA grant.

C. Background

ACTION was created as an independent agency under the provisions of Executive Order 11603, dated June 30, 1971, and Reorganization Plan 1 of 1971, effective July 1, 1971. Its legislative authorities are provided by the Peace Corps Act of 1961 for international operations and the Domestic Volunteer

Service Act of 1973 for domestic operations. It is divided into 3 administration areas--headquarters in Washington, D.C., 10 domestic regional offices, and an overseas operation supported by foreign country staffs.

ACTION's purpose, as stated by the legislative authority, is to strengthen the impact and appeal of participation by citizens in programs which provide personalized services to people whose needs are considered compelling both at home and abroad. It strives to reach a goal of a system of volunteer service that will use, to the fullest advantage, the power of the American people to serve the purpose of the American nation.

The programs and activities of the agency consist of the Peace Corps, Volunteers in Service to America (VISTA), Special Volunteer Services, Foster Grandparent Program, Retired Senior Volunteer Program, Senior Companion Program, National Student Volunteer Program, and the Youth Volunteer Program.

II. FOREIGN SERVICE APPOINTING AUTHORITY--USES AND ABUSES

The Investigative Staff found no evidence to support allegations that the blanket conversion of certain ACTION personnel from foreign service to civil service was politically motivated. Similarly, no evidence of a "fifth column" was found within the agency, as inferred by certain agency personnel, of holdovers from the prior administration who acquired job tenure as a result of the conversion exercise. ACTION officials have implied that past manipulation of the personnel system is in some way related to the ineffective accomplishment of current agency programs.

While present ACTION officials are quick to criticize past abuses of the personnel system, no interest was found in changing the system. Thus, the same means to undermine merit principles are available to the present Director as were available to his predecessors. To avert any such possibility as well as establish a precedent for more efficient and effective personnel management, it is believed the agency should adopt a firm policy of not using foreign service appointing authority to fill positions in agencywide support offices.

A. Background

From information gathered by the Investigative Staff, during the early years after the establishment of the ACTION agency, personnel operations were heavily influenced by politics. The tone for the program in its early years was set by the agency's first director of personnel. He subsequently moved over to the White House, where he reportedly coauthored a manual which explained how to manipulate the merit system.

Under the original director of personnel and his two successors, an unenviable record of political discrimination in the selection of candidates for jobs and of other improprieties in personnel matters was established. The more sordid details of the record were brought to light as the result of an investigation conducted by the Civil Service Commission (CSC) in early 1975. The Commission found conclusive evidence of a system having been in operation for checking on the political affiliation of job applicants and for making staffing decisions on the basis of political considerations. The Commission also found that records of political screening activity had been destroyed to avoid their being discovered in the event of an investigation.

It was generally recognized that the personnel director's job was made easy because of ACTION's dual personnel system. The dual personnel system is a product of the way in which

ACTION was established. The merger of functions brought together foreign service positions filled under authority of the Peace Corps Act and civil service positions dealing with other volunteer organizations.

Initially, the two primary functions of the agency, that is, Office of International Operations (Peace Corps) and Office of Domestic and Anti-Poverty Operations, were staffed with foreign service and civil service employees, respectively. No clear-cut policy was established, however, on how to fill positions in staff offices providing agencywide support functions. It was largely in this area that the system was exploited for political and other purposes.

A policy ultimately evolved for staffing support positions with about two-thirds foreign service employees and one-third civil service employees. For some obvious reasons, however, management was not anxious to move further in the direction of bringing support positions under the rules of competitive civil service. Those reasons are no less applicable today and explain ACTION's reluctance to adopt a firm policy for staffing support positions.

First, the opportunity to appoint in the foreign service provides a high degree of flexibility in the classification and staffing of positions. It obviates the need for any Civil Service Commission oversight or involvement, which significantly shortens the staffing process, and assures management it will get the person selected and at the grade desired. While the Department of State has a nominal oversight responsibility on the use of foreign service appointing authority, an authoritative source advised the Investigative Staff that, in practice, it is a meaningless accountability. Second, but of no less importance, performance and other problems are easier to deal with if the employee is in the foreign service and not protected by civil service rules and regulations.

B. The CSC and Conversions

The trend toward a mainly general schedule work force in support offices was triggered by a Civil Service Commission personnel management inspection of ACTION conducted in early 1974. As a result of the review, the Commission concluded that ACTION had no authority to make foreign service appointments in any of the offices of the agency except the Office of International Operations and directed that the agency develop a plan for eliminating the dual personnel system in support offices.

While ACTION had considerable difficulty with some of the details of the report, there is no indication in any of the correspondence exchanged at the time that the agency ever objected strongly, in principle, to the idea of eliminating foreign service positions in support offices. Neither, however, is there any suggestion that the exercise was viewed as an opportunity to accord civil service tenure and other benefits to the party faithful. The change in attitude seems more likely to have been related to a turnover of personnel in several key positions and a sincere effort on the part of the new team to establish a base for better personnel management in the agency. The personnel changes included appointment of a new director in May 1973, a new director of personnel in April 1974, and a new deputy director in June 1974. The new deputy director reportedly had especially strong feelings about the desirability of a fully general schedule work force in support offices. He viewed the dual personnel system as a source of employee morale problems and of unnecessary costs because of the heavy turnover associated with the 5-year rule (the 5-year rule provides that an employee cannot serve in a foreign service position for more than 5 years).

Negotiations between the agency and the Commission extended over the period from October 1974, when the inspection report was released, through the spring of 1976, when the conversion plan was implemented. In the course of the negotiations the Commission reversed its earlier decision that ACTION had no authority to make foreign service appointments in offices other than the Peace Corps and acknowledged, in effect, that it was without authority to require the agency to change its practices. The reversal resulted in no change in agency plans. In the interest of good personnel management, ACTION agreed to move ahead with the conversion proposal and to limit future foreign service appointments to the Peace Corps and to the FS-1 and FS-2 levels.

The conversion plan was implemented in April 1976, and there is considerable confusion about how many employees were actually included in the exercise. Documentation shows the following:

-- In February 1975, ACTION stated that 312 employees were involved, 80 of whom had reinstatement rights to civil service positions.

-- In May 1975, the Civil Service Commission reviewed the personnel folders of 287 employees (it is not clear whether these were exclusively employees proposed for conversion) to determine if political connections had influenced the appointments and whether the employees were qualified for their present positions. The Commission concluded that a few such appointments may have been tainted, but the evidence generally was inconclusive. With regard to qualifications of the 287 employees, only 7 appeared to be clearly not qualified for their present positions, and 3 of the 7 had some political connection reflected in their personnel folders.

- In October 1975, according to a Commission internal memo, ACTION had increased the 312 estimate to 396 employees, of whom 332 were in Washington, D.C.

- Data compiled from the records by the ACTION personnel staff indicates that 149 employees were actually converted and 35 other employees were reinstated.

While the reasons for the discrepancy in numbers are not altogether clear, it is evident that over the extended period of time that elapsed before the plan was implemented, the count would change because of normal turnovers and retirements (employees with early retirement eligibility could retire rather than convert). Also, of the total number, those eligible for reinstatement (80 according to ACTION figures) and some 20 FS-1s and FS-2s would also represent a part of the fallout. Whatever the reasons, the implication of the discrepancy is that the number of foreign service positions in agencywide support offices was, at one time, much larger than suggested by the number who actually converted.

No grade level information is currently available on employees converted to the general schedule. Data compiled by the ACTION personnel staff in November 1975, however, would indicate that well over half of the employees were lower level clerks and technicians and the remainder were supervisory or middle management. Some 28 employees, most of whom were at FS-1, FS-2, or FS-3 levels, remained in foreign service positions in support offices subsequent to the conversion. Four of these employees are still with the agency and are serving in the following capacities:

- Employee "A," formerly an FS-2, is working as a grade GS-14 management analyst.

- Employee "B," formerly an FS-2 and currently a career GS-16 Deputy Assistant Director of ACTION, was attending school full time until recently.

- Employee "C" was and still is an FS-3 personnel management specialist, whose appointment will expire next year.

- Employee "D" was and still is an FS-3 supervisory accountant, with no time limit on his appointment.

C. Eleventh-Hour Hysterics

In December 1976, the Civil Service Commission again went into ACTION, acting this time on the basis of allegations the agency was making some last-minute effort to blanket-in "loyalists" who were not in competitive positions. Four regional director positions, recently converted from Schedule B to competitive service, were specifically mentioned. Upon investigation, the Commission found evidence that a number of "eleventh-hour" conversions had, indeed, been planned beforehand at a reported meeting of the ACTION management council in San Diego in September 1976. As a result of the review, the Commission reversed the reinstatement of two of the regional directors and the conversion to career status of two other key-level employees in the national office. Of these four employees, only one is still serving with the agency. He is a regional director and is still a Schedule B (two of the other regional directors are currently career, and the remainder are Schedule C).

D. The Present Situation

As of September 30, 1978, ACTION had a total of 25 foreign service employees working in offices other than International Operations. The corresponding number on June 30, 1976--immediately after the conversion but well before the election or change of administrations--was 28.

Of the total foreign service employees now working in support offices, 19 are Foreign Service Reserve (professional/technical) and 6 are Foreign Service Staff (clerical). Fifteen of the employees have permanent appointments and 10 are temporary, a not altogether meaningful distinction since permanent foreign service appointments are also time limited. Eight of the foreign service positions in support offices are classified at supergrade levels (FS-1 and FS-2).

ACTION has no written policy on how positions in support offices will be filled. As explained to the Investigative Staff, the Assistant Director for Administration and Finance is under instruction to try replacing foreign service employees in support positions with general schedule employees, but, in practice, the Assistant Director may still open up jobs to either type of employee if such advertising is likely to attract the best applicant.

As if to illustrate the point, two mid-level support office positions were advertised as both foreign service and civil service just shortly after this study was begun. The positions were both "staffing specialists" and were located in the personnel office. The reason for posting the vacancies in this way was that both positions were to have some responsibility for recruiting Peace Corps staff. One of the positions was subsequently filled with a foreign service appointment.

The employee union at ACTION has a long record of opposition to use of the dual personnel system in support offices. It is the union's view that under a foreign service appointment, the employee has no seniority, lesser fringe benefits, and his mobility is restricted. Also, his grade is not necessarily based on "equal pay for equal work," thereby making for morale problems. It is the union's contention that the policy of using only general schedule positions in support offices (except FS-1 and FS-2) was established in 1976 concurrent with the conversion exercise but never put in writing. When this report was prepared, the union was considering whether to file an unfair labor charge relative to the recently filled foreign service position for failure to negotiate a major policy change.

The Investigative Staff agrees fully with the union position on use of foreign service positions in support offices. While the flexibilities of the dual personnel system may be desirable from a management standpoint, there are not enough safeguards to prevent its abuse. In the hands of a willful director, it could still be used as the means for attaining political ends. To make his position on the issue clear and affirm his commitment to an "open" personnel policy, the Investigative Staff suggests that the present director discontinue the policy of using foreign service appointments for support positions.

E. The "Fifth Column" Myth

Without in any way condoning earlier improprieties and misuse of the personnel system at ACTION, the Investigative Staff can in no way relate any of that activity to a conscientious effort to "lock in" the party faithful or deprive the present director of a large block of excepted positions. The record makes it clear that the conversions were initiated by the Civil Service Commission rather than by the agency, and the timing of the actions was such that the subsequent change of national administrations could not possibly have been a motivating factor.

If, as reported, ACTION management has "to keep one eye cocked to the rear at all times," the Investigative Staff must accordingly conclude that the implied "fifth column" is not made up of political holdovers who have become an impediment to the effective accomplishment of agency programs. One high-level ACTION official agreed, in effect, with this conclusion. In his judgment, apathy is a more serious organizational problem at ACTION than open disagreement or sabotage of proposed policies and procedures. The apathy was attributed, in part, to unrealistic expectations. Some employees expected the new director to bring the agency back to its halcyon days of the mid-1960s when Peace Corps and VISTA were glamour programs, and he has not produced at that level. Thus, employees can see few changes, and this has resulted in poor morale and the development of a faction which is not "pulling with the team."

F. The Jim Fare Incident

Jim Fare is an ACTION employee whose name has become identified with the conversion exercise.

According to the agency, Fare is an incompetent employee who acquired civil service status during the vacuum between the change in national administrations and is, thus, locked-in to his job. Fare (according to the agency) has proven himself ineffective at performing the duties of his GS-16 position of Deputy Assistant Director of Administration and Finance. Accordingly, he was nominated for a special training program at George Washington University (GWU) in business administration to improve his management skills. The training began in October 1977 and ended in October of this year. While in training, Fare received full salary.

According to Fare, he was hired in 1975 as an FS-2 to fill a career supergrade position. The only reason the foreign service authority was used for the appointment was to overcome the absence of allocated supergrade slots. ACTION was successful in obtaining a Civil Service Commission allocation of a career GS-16 for the position in January 1977, at which time Fare reacquired tenure. Fare alleges that he served as Acting Assistant Director for Administration and Finance from February 28 to September 15, 1977, at which time the appointment of the new Assistant Director was confirmed by the Senate. Shortly thereafter, Fare was advised that the new Assistant Director wanted to replace him, and the negotiations began which resulted in his matriculating at GWU, pursuing a general program leading to a doctorate in business administration, at taxpayers' expense.

In the interim, another Deputy Assistant Director for Administration and Finance was appointed at the FS-2 level.

The record shows that Fare is a career employee with over 18 years of Federal service, whose initial appointment as an FS-2 and subsequent conversion from foreign service to general schedule were in no way influenced by political considerations. The timing was such, however, that the latter action gave the impression of being rigged to deprive the new administration of a high-level excepted position, and the coincidence could have gotten Fare off on the wrong foot with the new officials who were taking over. The evidence neither supports nor refutes Fare's competence. In his favor, he made rather rapid career advancements and attained a high position before being appointed by ACTION. On the other hand, the inadequacies of ACTION's accounting and management reporting system, disclosed as a result of this investigation, do not speak well of Fare's accomplishments during the 2 years he served as Deputy Director of the management organization.

Fare was scheduled to come back to ACTION on October 15. Plans for the way in which his services would be utilized were still indefinite at the time of this report. In the meanwhile, ACTION has the unique distinction of having two Deputy Assistant Directors of Administration and Finance, the one appointed under the civil service system and the other serving under a foreign service appointment.

III. INCREASE IN OTHER EXCEPTED AND SENIOR MANAGEMENT POSITIONS

The Investigative Staff found that the number of high-level management positions and positions excepted from civil service rules and regulations has increased since the present director of ACTION was appointed.

A. Increase in Noncompetitive Positions

The so-called "Plum Book" is considered generally to be reflective of the "political jobs" in an agency. Specifically, the listing covers a wide variety of positions outside the competitive civil service, including:

- -- Presidential appointments.
- -- Noncareer Executive Assignment (NEA) positions in grades GS-16, -17, and -18.
- -- Schedule C positions.
- -- Other excepted positions GS-14 (or equivalent) and above, including selected positions under Schedules A and B.

The last official "Plum Book," properly entitled "U.S. Government--Policy and Supporting Positions," was assembled by the House Committee on Post Office and Civil Service in November 1976, with information current as of September 3, 1976. The ACTION personnel staff compiled a corresponding listing for the Investigative Staff current as of March 30, 1978. Comparison of the two listings shows an increase of 30 positions, as follows:

	Sept. 3, 1976	March 30, 1977
Executive Level----------------	6	6
NEA----------------------------	3	6
Schedule C---------------------	11	33
Other Excepted Positions Peace Corps Country Directors (and Medical Officers)------------------	49	60
Other FS-1, -2, and -3---------	26	24
Schedules A and B (selected)---	6	2
Total--------------------	101	131

NEA positions and Schedule C positions are both of a confidential or policy-determining character and exempt from most civil service rules and regulations governing appointments and employment. NEA assignments are made to positions in grades GS-16, GS-17, and GS-18; Schedule C is for positions below the supergrade level. The need for both types of positions and the grade level of NEA positions must be justified to the Civil Service Commission. The qualifications of all appointees to Schedule C are approved by the agency; the qualifications of NEA appointees are subject to Commission approval.

Three additional NEA positions and 22 additional Schedule C positions have been established since the change of administrations. One of the NEA positions (Assistant Director for Congressional and Legislative Affairs) replaced an equivalent-level foreign service reserve position with similar responsibilities. The other two NEA positions, both of which are at the GS-17 level and are located in the Office of the Director, are new. The incumbents are, in effect, the Director's key staff aides for program and support matters, respectively.

Of the 22 additional Schedule Cs, 7 are regional director positions which were placed in the excepted service by Executive Order rather than Commission approval. These positions had previously been under Schedule B (not practicable to hold a competitive examination) but more recently, at the urging of the Civil Service Commission, were being converted to career. With the change of administrations, however, the plan was disrupted, and only two of the positions (Boston and Seattle) had been filled competitively at the time the Executive Order was issued. These two positions were not affected by the order. At the time of this review, the remaining regional director position (Region V) was still filled by a Schedule B employee.

Of the 26 other Schedule C jobs approved for the agency, 9 are key level; that is, in grades GS-14 or GS-15. These include an assortment of Special Assistants (two in the Director's office, two in Domestic Operations, and one in Plans and Policy), three positions converted from career in the Office of Legislative and Governmental Affairs, and one position (Director of Communications) converted from a career slot in the Office of Recruitment and Communications. The corresponding number of GS-14 and -15 Schedule C positions in the September 1976 personnel listing is three.

Of the change in the number of key-level foreign service positions, the net increase of 9 positions is made up of an additional 11 positions (10 country directors and 1 medical officer) overseas and 2 fewer positions at headquarters. Fourteen of the headquarters FS-1, FS-2, and FS-3 positions are located in the Office of International Operations, and 10 are located in agencywide support offices. The corresponding figures in 1976 were 8 and 18.

The build-up of six positions in International Operations includes new positions of a Deputy Associate Director, a Deputy Director for Peace Corps Programs, an Executive Assistant, and two Special Assistants. The decrease of eight FS-1, FS-2, and FS-3 positions in support offices represents positions that were subsequently converted to career or Schedule B, restructured as Schedule Cs, or disestablished.

B. Supergrade and Supergrade-Equivalent Positions

ACTION currently (September 30, 1978) has a total of 30 GS-16, GS-17, and GS-18 and foreign-service-equivalent-level (FS-1 and FS-2) positions. This represents an overall increase of five positions over the past 2 years made up of six additional supergrade positions and one less foreign service position. The agency is currently authorized a total of 10 supergrades.

While the number of FS-1 and FS-2 positions is down only one, the mix relative to those located in International Operations and those located in support offices has changed. Of the 21 positions listed in 1976, 14 were located in support offices and 7 in International Operations; of the 20 current FS-1 and FS-2 positions, 8 are in support offices and 12 are located in International Operations.

ACTION still has one of its high-level positions double encumbered with both a career GS-16 and an FS-2 employee. The wastefulness of such an arrangement is self-evident, but ACTION has not as yet done anything about resolving the problem.

C. Staffing of the Director's Office

Until recent months, staffing of the Office of the Director was consistently at much higher levels under the present Director than under his predecessor. An overview is reflected in the following table:

Date	Full-Time Permanent	Other	Total
12/31/75	18	0	18
3/31/76	(not available)		20
* 6/30/76	18	1	19
* 9/30/76	21	2	23
12/31/76	15	1	16
3/31/77	15	13	28
6/30/77	15	43	58
* 9/30/77	18	14	32
12/31/77	30	14	44
* 3/31/78	30	4	34
6/30/78	26	8	34
8/31/78	22	4	26
* 9/30/78	22	3	25

* Dates when the agency was required to meet OMB ceilings.

The official with whom the matter was discussed showed an awareness that the staffing level in the Office of the Director was then high in comparison with the recent past and advised the Investigative Staff of a plan for reducing total staff down to about 25 employees by the end of the fiscal year. As shown in the table above, this goal was achieved.

This same official gave the following reasons for the larger staff under the present Director than under his predecessor.

-- Some elements had been added; namely, a program staff and controlled correspondence. (Controlled correspondence has been since relocated in Administration and Finance.)

-- The volume of correspondence is now much higher than 2 years ago (no figures provided).

-- The reorganization unit, which completed its work this past spring, worked out of the Director's office.

Some feeling was also expressed that it was unfair to evaluate staffing patterns on the basis of first-year experience.

D. Foreign Service Positions Unchanged

The overall mix of general schedule and foreign service positions in ACTION has remained relatively stable since the conversion exercise. This is reflected in the following table:

	6/30/76		9/30/78	
Agency:				
Onboard Against Ceiling	1,875		1,890	
GS		1,098		1,141
FSR/FSS		372		355
Other 1/		405		394

1/ Includes Executive Level, Foreign Service Limited, Expert/Consultants, and Wage Boards.

Over the same period (since the conversions), foreign service positions in support offices have decreased by three as shown below:

	6/30/76		9/30/78	
Agencywide Support Offices	418		742 1/	
GS		385		706
FSR/FSS		28		25
Other		5		11

1/ Includes Office of Recruitment and Communications.

IV. CONSIDERATION OF PAST EARNINGS IN QUALIFICATIONS EVALUATION

The Investigative Staff found that ACTION, with concurrence from the Civil Service Commission, largely discounts past salary in making appointments to excepted positions. For practical purposes, the Commission has also abdicated its legal responsibility for evaluating the qualifications of appointees to Noncareer Executive Assignment (NEA) positions. As a result of these developments, the agency has had a free hand in selecting appointees, and Federal employment has proven a rewarding experience, both financially and, hopefully, otherwise, for a number of upper-level ACTION employees.

A. Evaluation of Qualifications

ACTION (like other Federal agencies) is responsible for approving the qualifications of appointees to general schedule positions in grade GS-15 and below and to foreign service positions, regardless of grade level. The Civil Service Commission is required by law (5 USC 3324) to approve the qualifications of proposed appointees to general schedule positions in grades GS-16, GS-17, and GS-18.

The evaluation of qualifications is a highly subjective process. It can be especially perplexing if the experience was acquired outside the Federal service in an unfamiliar organizational context where the relationship and level of responsibility relative to other positions cannot be readily established.

Under such circumstances, the only practical common denominator for judging qualifications is salary level. The pay comparability policy provides that Federal salaries should roughly equate with the salaries for positions of comparable responsibility in the private sector. As a corollary, an applicant from the private sector for a Federal Government position should ordinarily be expected to have past earnings roughly comparable to at least the grade level below the level of the Federal job for which he is being considered. Lesser earnings would indicate that he did not have experience of a quality and level of responsibility to qualify for the job.

The Investigative Staff can find no evidence that ACTION ever did pay any attention to previous salaries as a factor in making qualification determinations. It was indicated that the Commission had questioned several earlier appointments to excepted positions but, upon submission of additional documentation, had approved the actions. In June 1977 the Commission endorsed the agency practice of discounting the importance of level of pay. By letter to the Director, the Chairman of the Commission advised that it was Commission policy to evaluate experience on the basis of quality and level of responsibility, regardless of the level of pay or even if no pay was received, and that he was instructing Commission examiners to discontinue using current salaries as a factor in making qualification determinations. Similar letters were sent to all of the major departments and agencies.

In August 1977 the Civil Service Commission took another step to make it easier for agencies to get the appointees selected for high-level positions, regardless of qualifications. By Federal Personnel Manual Letter dated August 3 (to all agencies), a procedure was established whereby agency heads were asked to certify personally to the Commission the qualifications of all persons proposed for Noncareer Executive Assignment appointments. In other words, instead of the Commission making the evaluation, the agency would do the job. To fulfill its legal responsibility, the Commission would perform a pro forma review of the proposed appointment, in which "great weight" would be given to agency head recommendations.

B. Qualifications Review

In reviewing how ACTION has evaluated qualifications, the Investigative Staff reviewed 36 appointments to Schedule C and other excepted positions. Most of the cases posed no qualification problems. A number of the appointees were either career or former career employees, and the promotion was part of a normal career progression. In other cases involving mainly appointees without Federal experience, the salary at which the employee was hired was not out of line with past earnings. In some dozen other cases, however, it was more difficult to equate past earnings with the level of appointment, and, in over half of these cases, the appointees realized salary increases of $15,000 or more per year over earnings last reported for full-time employment.

The maximum salary increase as a result of employment with ACTION (among the cases reviewed) went to a high-level management official in the field organization. This applicant had mainly an academic background but was working as a legislative analyst for a State Legislature before coming to work for ACTION. As a result of the appointment, the employee realized a salary increase of over $20,000. The appointment was to a grade GS-15 position.

Another more recent windfall was realized by an employee serving as an expert who was subsequently appointed to a newly created FS-2 job at headquarters. This employee had a total of 6 years' work experience when hired by ACTION and had never earned more than the equivalent of a grade GS-12 salary. As an expert with ACTION the employee got an immediate salary increase of over $6,000, but with his permanent appointment as an FS-2 his prior earnings were almost doubled. In view of the employee's limited prior work experience, the Investigative Staff asked for an evaluation of his qualifications for the high-level job but was informed that the personnel office has no role in reviewing the qualifications of senior management personnel hired under FS authority and was not consulted in regard to this appointment.

Six other cases were reviewed involving salary increases of $15,000 to $17,000 for the appointees over earnings reported for their last full-time positions in the private sector. It should be noted, however, that three of these persons also reported having been self-employed as "consultants" either immediately before or at some time prior to coming to work for ACTION. Without exception, these employees reported earning more (or commanding a higher salary rate) as consultants than as full-time salaried workers. Further, these employees were appointed at salary levels which equated much more closely with rates earned for consulting activity rather than with past salaries.

One of the difficulties involved in giving so much weight to self-employed consultant experience is that such employment cannot be readily verified. The case of a GS-15 Staff Assistant is illustrative. In the application, this employee showed maximum past salary of $20,400 a year but also reported working as a "free-lance consultant" since 1960 at a daily rate of $150. Subsequent investigation disclosed that contrary to the impression given by the application, the employee's work as a consultant had been highly irregular. The employee was asked by the agency to provide further details on the employment to clarify the record, but, to date, 2 years since being appointed, the employee had not done so. The Investigative Staff doubts whether the personnel office actually cares whether the experience is ever verified.

A further indication of the unimportance of past earnings in evaluating quality of experience is suggested by the finding that three of the appointees to regional director positions did not even bother to report salary information for prior employment in their applications.

V. EXPERTS AND CONSULTANTS

The Domestic Volunteer Service Act of 1973 and the Peace Corps Act of 1961 both provide ACTION with authority to employ experts and consultants. The Peace Corps Act also provides ACTION with a special authority to contract with U.S. citizens and aliens for professional services in host countries and with aliens for professional services within the United States. This authority is used mainly to hire instructors to provide language and other training for Peace Corps personnel abroad.

A. Poor Information on Experts and Consultants

The absence of reliable and readily available information made it difficult for the Investigative Staff to establish how extensively ACTION has used consultant and expert advisory services over past years and to analyze trend data.

The general inadequacies of statistical data on experts and consultants and the indifference with which such information is assembled are reflected in three reports prepared by ACTION over the past year. One was the so-called Whitten Report on man-years and personnel costs, prepared annually for the Congress in compliance with the Supplemental Appropriations Act of 1952. The report is a responsibility of ACTION's Accounting Division. The report submitted by ACTION for FY 1977 shows a total of three expert/consultant man-years with a total cost of $84,500. The data reported actually reflects experts and consultants on the payroll at the end of the fiscal year and the total of their annual salary rates. The report, as presently assembled, is misleading and of no value in shedding light on the agency's use of experts and consultants.

Another report on ACTION's experts and consultants was prepared in response to an OMB request of May 12, 1977, directed to all departments and agencies. The memorandum expressed the President's concern about the excessively large volume of consultant and expert services used by the Federal Government and asked for, among other information, data on the number of consulting arrangements in effect and the total dollars involved. ACTION responded that as of June 28 there were 115 experts and consultants onboard and that during FY 1976 a total of 589 persons were employed at a cost of $1.786 million. (Other data, believed to be more reliable, shows total costs of $2.754 million for FY 1976.)

To develop corresponding data for the prior and current years and make comparisons, the Investigative Staff inquired about the source for these cost figures. As best the personnel clerk who had assembled the report could remember, she had made "several phone calls," mainly to the budget office. No one in the budget office recollected having provided the information.

This year, ACTION was required to submit a similar report to OMB. It shows zero consultant arrangements in effect as of June 1, 1978. An ACTION official explained, and an OMB official confirmed, that the report this year was to cover only consultants and not experts, of which ACTION had many. In the personnel jargon, a consultant is usually considered an "adviser" as compared with the expert who is considered a "doer," but otherwise both positions are treated identically for appointment and pay purposes. They should also be treated the same for reporting purposes, if the objective of the report is improved management of such resources and better control over burgeoning personnel costs.

The third report on the use of experts and consultants is required by the Federal Personnel Manual. It requires that agencies perform a quarterly review of each consultant and expert working more than 10 days during the quarter to determine whether duties being performed are proper, documentation is current, and time limits are being observed. The Investigative Staff found that the quarterly review reports are prepared with little more care and are no more reliable than the other reports on experts and consultants. Even the agency personnel officer, under whose direction the reports are prepared, indicated it would serve no purpose to review earlier quarterly reports as she had no confidence in their accuracy.

B. Number of Experts on the Increase

The best measure of the use of experts is man-days actually worked. This is because of the nature of an intermittent appointment. Such an appointment implies that the employee will not work a regular tour of duty. Thus, the number of appointments, in itself, is not too meaningful as an indicator of how extensively an agency is using expert or consultant services. Cost figures also have limitations in analyzing trend data unless adjusted for salary increases.

In FY 1978, the ACTION agency hired at least 113 experts, at an average salary rate of $106 a day. For the same year, payroll records show total costs for intermittently employed experts were $868,707. This would indicate a total of 8,158 staff-days or 31.4 man-years worked. Except for total costs, no corresponding data are available for prior years.

The $868,000 obligated in FY 1978 for intermittently employed experts compares with $538,000 obligated in FY 1977 and $939,000 in FY 1976 (15 months). These costs were distributed as follows:

	FY 1976 (15 months)	FY 1977	FY 1978
	(in thousands)		
International Operations----------	$ 89	$ 76	$111
Domestic Operations---------------	263	237	239
Recruitment and Communications----	200	1/	21
Plans and Policy------------------	209	76	249
Staff-----------------------------	59	101	144
Administration and Finance--------	119	48	104
Totals----------------------	$939	$538	$868
12-Month Totals-------------	$653	$538	$868

1/ No data provided.

Comparison of total costs for FY 1976 (excluding costs of $286,000 for the T-quarter) with costs for FY 1978 indicates an increase in the use of experts by ACTION. With adjustment for salary increases, costs increased by about 18 percent ($733,000 in FY 1976 to $868,000 in FY 1978). At the FY 1978 average expert salary rate, the difference of $135,000 would represent some 1,268 more staff-days (4.9 man-years) worked.

The lower costs for FY 1977 probably reflect a decreased use of experts during the period while the former national administration was phasing out and the present administration was getting into gear.

During FY 1978, ACTION also obligated $776,000 for personal service contracts with U.S. citizens and $619,000 for personal service contracts with non-U.S. citizens. The corresponding figures for FY 1976 (15 months) were $990,000 and $825,000 and for FY 1977 were $627,000 and $534,000.

Thus, overall costs of expert and consultant services for the past 3 fiscal years were as follows:

	FY 1976 (15 months)	FY 1977	FY 1978
	(in thousands)		
Intermittent Employment------	$ 939	$ 538	$ 868
Personal Service Contract----	1,815	1,161	1,395
Totals-------------------	$2,754	$1,699	$2,263

C. Use of Experts

In reviewing whether ACTION had properly used the services of experts hired under its appointing authority, the Investigative Staff selected over two dozen individual positions. Review of these positions disclosed that ACTION used its expert/consultant appointment authority extensively to facilitate the early placement of personnel hired incident to the change of national administrations, hired experts to serve in staff positions, set pay rates at levels not commensurate with past earnings, and improperly designated all employees hired under its appointment authority as "experts."

As a matter of convenience, ACTION designates all of its upper-level temporary or intermittent help as "experts," regardless of the purpose for which the individual is hired or the duties he performs. This practice is both careless and misleading because it conveys an impression that all of ACTION's hires are higly specialized practitioners from whom a work product is expected rather than highly qualified persons whose services are of a purely advisory nature. This distinction between an expert and a consultant was highlighted by the aforementioned OMB report which requested information only on consultant-designated positions. Implicit in the requirement was the idea that consultants are being misused in Government but experts are less of a problem. Based on the review of the Investigative Staff, it is believed that ACTION has been hiring advisers for both expert and consultant services, and more effort should be made to title such positions properly.

Pay levels for experts appointed by ACTION are set at either the "competitive rate," which was defined as the going rate in the Washington, D.C., area for the services of retired Federal employees in various occupational fields, or at a level a "few dollars" over the employee's best prior earning rate. In several of the cases reviewed by the Investigative Staff, the "few dollars more" standard was badly abused. Illustratively, three experts hired at the daily rate of $100 reported previous earnings reflecting daily rates of $38, $55, and $58, respectively; another employee appointed at $85 a day had been earning $10,000 a year ($38 a day).

The Federal Personnel Manual outlines proper and improper uses of consultants. Among the latter examples of employment described are: "To do a job that can be done as well by regular employees, do a full-time continuous job * * *." The Investigative Staff found the most glaring examples of abuse of this policy in the ACTION personnel office, itself, where two employees served from November 1977 until early summer as employment specialists. Both experts were subsequently appointed to the same positions as permanent full-time employees, a development which was probably not surprising to the other employees also interested in competing for the positions.

In a similar vein, ACTION used its expert/consultant appointing authority extensively to hire NEA, Schedule C, and other excepted employees pending official clearances and approvals. The Investigative Staff is aware of at least 20 top-level ACTION employees who were initially appointed as experts. Some of these appointments were only for 2 or 3 days, while others extended over several months. One such employee acted as chairman of several Project Review Boards reviewing national grant proposals while still serving as an expert. This general misuse of expert/consultant appointing authority was rationalized on the basis that it is common practice throughout Government for agencies to place senior management officials on the rolls initially as experts or consultants pending official confirmations.

D. The John Parr Incident

The Investigative Staff looked further into an incident reported in the FY 1978 hearings before the House Appropriations Committee involving one John Parr. Parr had served as an expert with ACTION from December 14, 1977, to January 18, 1978. He worked a total of 20 days, at a daily rate of $100. The implications of the questioning at the hearings were that Parr had been hired in return for favors rendered the Director of ACTION. Parr reportedly had a van and had moved some of the Director's household effects to the Washington, D.C., area. The Director denied the allegations.

The Investigative Staff found no evidence to substantiate the report. At the same time, little evidence was found of any expert qualifications in Parr's background or that he made much of a contribution while serving as an expert. All of Parr's work experience (a total of 4 years) prior to the ACTION appointment was acquired working either as a campaign organizer for the Governor of Colorado or on his staff at a midmanagement salary level. Nothing in this background remotely suggests that he had the credentials which the Civil Service Commission normally considers necessary for an expert or consultant, namely, that he was "* * * regarded as an authority or as a practitioner of unusual competence and skill by other persons in the profession, occupation or activity."

As for his accomplishments, his supervisor advised that his main responsibility was to assist in the reorganization of the Office of the Inspector General. This involved reviewing audit reports and making assessments about how and where staff time should be spent, evaluating investigative procedures and recommending improvements, and reviewing the organizational structure to recommend changes. In this regard, it was stated that Parr had prepared the mission statement for the soon-to-be-established Office of Compliance, and the Investigative Staff was shown a copy of the document represented to be Parr's work.

Since another employee's name appeared on the document as its author, the Investigative Staff also interviewed this individual. She appeared to be taken aback when it was even suggested that Parr had prepared the mission statement, which she claimed to be exclusively her work. This employee, too, had been detailed to the newly appointed Inspector General to help him get started, and she cited the reorganization proposal which included the mission statement as one of her main accomplishments. The extent of Parr's contribution had been to sit in on a critique (with two other officials) of the final draft. To the extent of this employee's recollection, Parr did little besides review audit reports during his tenure with ACTION.

VI. PEACE CORPS EMPLOYMENT POLICY

In the course of this study, two ACTION employees approached the Investigative Staff with a similar personnel problem. The problem related to an ACTION policy on the treatment of employees or prospective employees with a prior intelligence agency involvement.

One of the employees had worked for the Central Intelligence Agency for a time prior to 1960. The other employee married a woman who had unknowingly worked on a CIA project while employed by the State Department overseas. Because of these past associations, both employees are currently barred from any assignments or activity involving the Peace Corps.

An ACTION spokesman stated that the policy was established by the first Director of the Peace Corps. The purpose was to avoid giving any credibility to charges that the Peace Corps was serving as a front for the CIA or other intelligence activities. The policy has been reaffirmed by each succeeding Director. The present Director not only reaffirmed the policy but has revised it to clarify some of the details and to provide for uniform treatment of both volunteers and staff. The revised policy was published in the Federal Register on April 4, 1978.

It might be noted that the revised policy covers only the screening process for new employees (or volunteers). The cases of onboard employees who are found to have had associations with intelligence activities will continue to be handled on a case-by-case basis.

The policy is currently under review by a Federal court. ACTION's Office of General Counsel is of the opinion that the agency has enough precedents to prevail. While the matter has been discussed before Congressional committees, no effort has ever been made to obtain Congressional sanction for the policy.

VII. REORGANIZATION

A. Background

By memorandum dated August 22, 1977, the Director of ACTION informed all agency personnel of his views on how the "new directions" for the agency should be implemented. These views were based on information provided by the Citizen's Review process, discussions with employees and employee representatives, and senior staff policy recommendations. In brief, the main elements of the plan were the following:

-- All ACTION programs should emphasize "meeting basic human needs."

-- In the Domestic Operations area, program decision-making authority should be delegated to the State office level.

-- Program offices should be given increased authority in the budget and training areas.

-- Organizational changes should be made including establishment of a new Office of Voluntary Citizen Participation, an agencywide Task Force on Innovation, and an Office of Demonstration Programs within Domestic Operations. In addition, the Recruitment Office should be taken from under Domestic Operations, merged with some of the functions of the Office of Public Affairs, and reestablished at the division level (thereby going back to the same organizational structure existing prior to July 1976).

-- A Commission on Workplace Democracy should be established to involve ACTION employees more fully in decisions affecting their work lives.

1. Reorganization Task Force

It was generally recognized that some of these proposed changes had organizational implications. Accordingly, in September 1977, an official was appointed as the Project Manager to develop a plan and coordinate the reorganization.

The structure established to facilitate the process consisted of a coordination unit to manage the reorganization, a number of work groups, and a technical review committee. Only the coordinating unit was staffed with employees working full time on the reorganization. It consisted of the Project Manager and five other employees plus a number of technical consultants.

452

2. Constraints

In developing these plans, the work groups were instructed only to: (a) adhere closely to the policies outlined in the August 22 memorandum, (b) avoid changes with any potential for adverse effect on staff members, and (c) keep the ACTION work force fully informed on the progress of the project. In this regard, the Project Manager wrote a series of eight memorandums for all ACTION staff advising on the status of the reorganization.

It was also established early in the review that the Peace Corps was not to be included in the agency reorganization.

B. Findings

1. Costs of Reorganization

A budget of $147,000 was provided for the reorganization, and all funds were expended. Some $30,000 to $40,000 of this amount was for consultants in the personnel field. Almost all of the remainder was for coordination unit staff salaries. The time of additional personnel who served on the work groups and on the technical review committee is not included in the costs, nor is the considerable involvement of State and regional office officials in the reorganization.

2. Accomplishments--Other Than Domestic Operations

While the new policy directions in the Director's August 22 memorandum requiring hard organizational decisions impacted mainly on Domestic Operations, the accomplishments of the reorganization focus on other areas. The major accomplishments outside the Domestic Operations area (with Investigative Staff comments) are summarized below:

-- An Office of Voluntary Citizen Participation was established, made up of a number of functions formerly performed elsewhere in the agency. Since most of the positions in the organization were filled by employees who followed their function, the contribution of the task force to the process was minimal.

-- An Office of Recruitment and Communications was established at the divison level, thereby recreating the organizational structure existing before July 1976. Again, this realignment, which was requested by the Director, involved little more than merging the advertising functions of Public Affairs with the former Recruitment Office, a project that could have been accomplished without a high-paid task force.

-- Other minor realignments within headquarters offices (VISTA program office, Administration and Finance, Office of General Counsel, and Peace Corps training functions) were approved.

-- Plans were developed for decentralizing budget execution functions within the Office of Domestic Operations.

-- The Innovation Task Force and Office of Demonstration Programs ideas were put to rest, if not buried for good, and the Commission on Workplace Democracy was redesignated the Participatory Improvement Project and developed apart from the reorganization plan.

3. Changes in Domestic Operations Field Organization

The realignment of Domestic Operations (VISTA, Older Americans) was not the responsibility of a work group but proceeded more on the basis of exchanges of correspondence and ideas between headquarters and the field and meetings at which a representative number of field staff and the new regional directors made known their views and debated the issues with headquarters personnel. A consensus was reached on a laundry list of details affecting regional office/State office relationships, but the problem of how to strengthen the State office role without relocating regional office personnel was never satisfactorily resolved. Thus, while the effort turned out to be largely an empty gesture, field staff were, in the interim, subjected to the trauma of reorganization. One official described it as "8 months of hell," during which time nobody knew what his status would be.

The main features of the Domestic Operations plan that evolved are outlined below:

-- Subject to regional office review to make sure the money is available, State offices are to be delegated authority to commit funds, based on an approved budget plan which details specific line items. State offices are also to make a more meaningful contribution to the proposed regional budget plan.

-- State directors are to be delegated authority to approve VISTA project applications or reapplications and to terminate projects, subject to the concurrence of the regional office. If the regional director does not concur, the justification for nonapproval is the responsibility of the regional office, and the application is referred to headquarters for a decision. Selection and approval of VISTA projects was formerly a regional office responsibility.

-- State directors are to be delegated certain authorities with respect to VISTA volunteer personnel actions such as approval for extensions, reenrollments, transfers, emergency travel, stipend advances, and moving in and out of administrative hold. Other actions, however, requiring access to personnel files will continue to be the responsibility of the regional office.

-- To support these changes, 40 positions, mostly in the programming area, are to be transferred from the regional to State offices, as follows: Region I-3, II-6, III-3, IV-4, V-6, VI-3, VII-4, VIII-3, IX-3, and X-5. At the time the plan was approved (July 1978), about half of the positions to be transferred were vacant. None of them were funded, however, and even prospects for future funding (FY 1979) were not promising. Therefore, as a practical matter, the benefit that State offices will derive from these positions is nil. As for the remaining positions, three had actually been transferred along with employees, as of October 5, 1978. Estimates of the timelag before any meaningful transfer of positions to the State level would take place ranged from 2 to 3 years. In the opinion of the Investigative Staff, this is an optimistic estimate.

4. Domestic Operations Headquarters Changes

Concurrent with the realignment of the field structure, changes were also made at the headquarters level in Domestic Operations. As a result of these changes, headquarters staff was increased as follows: VISTA/ACTION Education Programs (AEP)--plus 10 positions; Older American Volunteer Programs (OAVP)--plus 8 positions; Office of Associate Director (OAD)--minus 2 positions. Some of the new positions came from realignments within Domestic Operations, but most came from agency ceiling.

While the State offices were given "spaces" without "faces," VISTA/AEP at the headquarters level has been staffed at substantially proposed strength for the past year, except at the end of those months when the agency had to meet OMB ceilings (September 1977, March 1978, and September 1978). This is reflected in the following "onboard" counts for selected months:

	6/30 1977	9/30 1977	12/31 1977	3/31 1978	6/30 1978	8/31 1978	9/30 1978
Assistant Director---	12	12	13	13	11	10	11
Operations-----------	6	6	6	5	8	7	10
VISTA/AEP------------	30	29	37	31	36	36	34
OAVP-----------------	18	19	20	21	20	18	20
Special Volunteer Programs-----------	8	7	11	3	1	-	-

5. Reorganization and the Urban Program

Early this past spring, the President announced a new $8 billion urban program, of which some $40 million was earmarked for new ACTION initiatives. To support these initiatives, it was estimated that an additional 210 positions would be required, distributed as follows:

Headquarters national program office----	34
Field	
State program offices----------------	88
Regional offices---------------------	51
Headquarters support offices------------	37
Total -------------------------------	210

According to the Director of ACTION, the advent of the urban program was a major factor in the decision not to staff up State offices to the levels initially planned. It was decided that it would not make much sense to transfer regional employees to the State offices and then fill in behind them with new hires. In addition, planning estimates already provided for building up State office staffs by 88 new positions.

The logic of this reasoning is somewhat puzzling. It appears to be premised on the assumption that the new positions will be used to support ongoing State office functions as well as the urban program initiatives on which basis the positions were justified. Otherwise it is difficult to relate the new positions to the shift of authority to the field for nonurban programs.

In any event, the issue is now academic, as the new programs were not approved by the recently adjourned 95th Congress.

C. Conclusions

1. Plan Ill-Conceived

ACTION was committed to "new directions" but undertook the reorganization without much idea about just where it wanted to go or how to get there. As a result, the reorganization began with much flurry and fanfare but progressed by fits and starts and ultimately evolved into a plan seemingly based on the premise that "the best change is no change at all." With better early planning, it might have been reasonably concluded before the formal effort began that it would be impracticable to reorganize extensively and, at the same time, make everybody a winner. Objectives could have been scaled down accordingly and most of the changes subsequently effected put in place without the disruption attending the reorganization and at less cost.

2. Costs Excessive

The need for setting up and staffing a task force was based on the assumption of an extensive reorganization that never materialized. With more realistic early planning, the Investigative Staff believes the need for the task force would have been obviated, and the additional work could have been taken on and accomplished by ACTION's management analysis staff. The costs of this approach would have been much less than the $147,000 required to fund the reorganization task force.

3. Field Restructuring a Myth

Even with the proposed buildup, namely, 40 positions distributed among 49 State offices, it is unrealistic to assume that "this reorganization will be very effective in moving decisionmaking authority closer to the communities and in strengthening State offices' capabilities to respond to community needs." With the actual buildup of three employees, the statement is even less credible. As for the "authorities" to be assumed by State offices, their importance is reflected in the urgency assigned to the task of writing new delegations of authority, redelegating to State directors the budget execution, project approval, and volunteer action responsibilities now held by regional directors. At the time this report was completed, over 3 months after the Domestic Operations reorganization was approved, the work had still not been done.

4. Need for Program Office Buildup Questionable

The big winners in the reorganization were the national program offices. It is difficult to reconcile the objective of strengthening the State offices with a bloated headquarters staff. The Investigative Staff can only conclude that the buildup of VISTA/AEP and OAVP to a level almost half again as much as their prereorganization strength was ill-advised, and the need for the additional positions should be reconsidered in light of actual changes in State office staffing.

VIII. NATIONAL VISTA GRANTS PROGRAM

A. Background

The national grants program was conceived as a means of getting across a new VISTA philosophy in the quickest possible way. The objectives of the "new directions" were to deemphasize the programming of volunteers into situations where they provided direct "one-on-one" services in favor of using volunteers as organizers to help poor people achieve a more meaningful voice in making the social and economic decisions affecting their lives.

National grants differ from the traditional VISTA grants in that they are managed by ACTION headquarters. Under the program, VISTA volunteers and some financial assistance are awarded to national organizations that have affiliated groups active in various local communities. National grants are not restricted by State or regional boundaries. The national grantees typically do not use the volunteers but channel them to the local community organizations. The additional funding under the grant is used by the national sponsor to train and supervise the volunteers and to administer the grant. National grant budgets allow for no overhead charges.

The first national VISTA grant was awarded in September 1977. As of September 1978, ACTION had awarded 12 national grants totaling $4 million to the following organizations:

459

NATIONAL GRANTEES

Grantee	Date of Award	Amount Original	Amount As of 9/30/78
Community Organization Research Action Project (CORAP)	9/26/77	$ 470,475	$ 470,475
Federation of Southern Cooperatives (FSC)	9/28/77	530,825	546,775
Midwest Academy (MA)	9/30/77	432,235	528,753
National Center for Urban Ethnic Affairs (NCUEA)	11/29/77	491,106	500,106
National Public Interest Research Group (PIRG)	12/16/77	289,767	300,636
National Training and Information Center (NTIC)	2/28/78	182,799	182,799
National Association of Neighborhoods (NAN)	3/9/78	232,204	240,371
National Council of La Raza (NCLR)	4/3/78	265,266	265,266
National Association of Farmworkers Organization (NAFO)	4/28/78	49,775	49,775
Youth Project	5/5/78	470,433	470,433
Housing Assistance Council	9/11/78	151,567	158,567
National City Council for Nursing Home Reform	9/30/78	241,138	241,138
Total		$3,807,590	$3,955,094

B. Findings - Approval Process

All of the national grants approved through September 30, 1978, were awarded without formal advertising or requests for proposals. Rather, applications were informally solicited by circulating the word about the new program among community action organizations with interstate operations. Fourteen applications were received, and 12 were ultimately approved. Of those approved, six were awarded to organizations represented at the roundtable discussions at which the ACTION Director met with a number of nationally reputed community and social activists to discuss the agency's new directions. Another 20 local organizations represented at the conference were subsequently assigned VISTAs under the National Grants Program.

Late in January 1978, a decision was made to award future grants competitively, and the decision was implemented with respect to applications for standard VISTAs in March 1978. However, with respect to national VISTA grants, implementation was deferred for 7 months and not announced in the Federal Register until October 5. In the interim (between March and October), noncompetitive awards were made to five national grantees, including two which were signed during the last month of the fiscal year (one on the last day). Under the new policy, these national grants may be extended for 2 additional years without having to be advertised and competed.

Unlike traditional VISTA grant applications, which are submitted through the State director, a national grant sponsor submits its application and project narrative (as well as project narratives from all of its local affiliate organizations requesting VISTAs) directly to the program office in ACTION headquarters. A Project Review Board (PRB) (representatives from the Programs Office, Grants and Contracts Office, Office of General Counsel, and others) is convened to evaluate the sponsor's application, budget, project narratives, and other related documents. The application and project narratives are sent to the ACTION State office in States where the VISTAs are to be assigned and, through the State office, to the State Governor. The State director's and Governor's comments are considered by the PRB in its decision to recommend approval or disapproval of the application. After the Board makes its recommendation on the national sponsor and the local components, the package is forwarded to the VISTA director, who has the final authority to approve the grant. Notice of Award and project documents are then sent to the State and regional offices for monitoring purposes.

1. Criteria Disregarded in Selecting Sponsors

The VISTA policy guidelines spell out criteria to be used in selecting grant sponsors. Among the criteria are requirements that the project benefit mainly poor people, have a long-term effect, and have measurable goals attainable within a given time frame. The Investigative Staff found many instances of grantees or local sponsors failing in some part to meet these standards.

The Community Services Administration poverty income guidelines have traditionally been used to establish whether families or individuals qualify for participation in Federal programs designed to help the poor. The current threshholds (April 5, 1978) are as follows:

Size of Family Unit	Nonfarm Family	Farm Family
1	$3,140	$2,690
2	4,160	3,550
3	5,180	4,410
4	6,200	5,270
5	7,220	6,130
6	8,240	6,990

In their project narratives, potential sponsors invariably described their target constituencies as "poor" or "low-income." However, when asked to support such statements, nearly all responded with unadjusted 1970 Bureau of the Census income statistics which were then compared with the 1978 poverty income guidelines. Without current income data or any adjustment of the 1970 figures for inflation and pay increases, such comparisons are meaningless. The Investigative Staff visited sites throughout the United States and from observations and discussions with VISTAs concluded that nearly two-thirds of the target areas where volunteers were working would properly be classified as lower middle-income neighborhoods or better, with, possibly, pockets of poverty.

The Investigative Staff also noted that the organizations to which VISTAs were assigned are of two kinds; namely, those already self-governing, with an active membership and Board of Directors, and those where VISTAs are organizing community groups from scratch. The former groups were active before getting VISTA and will probably continue after the VISTAs are gone. Among the latter groups, however, the Investigative Staff found few which it believes will be self-sustaining after the volunteers leave. The VISTAs themselves were generally pessimistic about survival chances for groups they were organizing, without the services of a full-time organizer. Members may acquire the skills but seldom have the time, interest, or support necessary to keep the organization going.

The State directors' most common criticism of sponsor project narratives was that goals and objectives were not quantified. Without measurable goals, the progress of a project cannot be objectively evaluated. State directors were at one time required to take a special course on the need for quantifying goals and objectives, but the national program office now appears to be deemphasizing the requirement and approving grants which cannot be effectively evaluated by anyone. The attitude of the national office is reflected in the comments of one program officer who told the Investigative Staff that these are social programs, and accomplishments over the short run are just not measurable.

2. Policy Waivers for National VISTA Grants

ACTION operating policies were changed to make it easier for grants to be approved under the national program. As a result, VISTAs have been assigned to organizations not incorporated as nonprofit organizations, sponsors have been approved without onsite visits, and costs have increased.

In August 1977, the VISTA director requested and received the Director's approval to waive maximum unit costs per VISTA volunteers from about $5,000 per volunteer to $5,750. The increased costs were to cover salary, fringe benefits, and travel expenses of sponsor-appointed project staff, and to allow for increased on-the-job supervision and a better transportation allowance for VISTAs and for more intensive preservice training. In January and April 1978, the VISTA director again requested and received approval to increase the maximum unit cost from $5,750 to $6,300 and, then, to $8,583. The January increase was justified on the basis that the national grants being considered at that time included smaller numbers of volunteers although staff salaries and travel were basically fixed. The hike to $8,583 resulted from a pilot grant with the National Association of Farmworkers Organizations. The pilot grant included the full-time director's salary and fringe benefits, and travel for five volunteers. If the pilot was successful, 35 additional volunteers were to be added and the unit cost would drop to about $6,400. If not successful, the agency would be stuck for a year with an $18,000 project director to supervise five volunteers.

As a result of the policy waivers on costs, the average unit cost per VISTA volunteer on national grants is now $6,418 as compared with an average unit cost of $5,748 for a standard VISTA.

In August 1977, waivers were also approved to relax the requirement for proof of incorporation as a nonprofit organization and to set aside the requirement for onsite visits prior to grant award. As a result of these waivers, all of the umbrella organizations to whom national grants were awarded were registered with IRS, but a number of the local sponsors were never incorporated as nonprofit organizations. These organizations would ordinarily have been ineligible for a VISTA grant. As for the waiver of the onsite visits requirement, the error of this decision is best reflected by the widespread problems at the local level, disclosed by this study as well as by ACTION's own reviews of national grants projects.

3. State Director and PRB Recommendations Overruled

All national grant applications are sent to State directors for comment on the strengths and weaknesses of local sponsoring organizations and a recommendation on approval or disapproval of the grant. These comments are considered by the PRB in developing its recommendations to the VISTA director. The Investigative Staff found that State directors were often overruled by either the PRB or the VISTA director. Most State directors stated that once their comments were in, they were not again approached about the merit of the grant. A few advised of sensing disapproval by Washington officials for criticizing a sponsor, and they were therefore going to temper their criticism in the future. One stated that he had been passed over for promotion twice as a result of disapproving a national grant sponsor. The general attitude was that national grants was a Washington program, and the national program office was going to do whatever it wanted, with or without the State directors' appproval.

The NCUEA grant will illustrate what these State directors may have had in mind. Some of the sponsors under this grant were recommended for disapproval by both the State director and the PRB, but based on personal meetings between the VISTA director and the sponsor's staff, the projects were approved. The last word in approving a grant is undeniably the VISTA director's responsibility. However, if the director makes a practice of arbitrarily overruling the recommendations of the staff and other agency personnel, the procedure raises some question about the value of having an elaborate approval process.

C. Findings - Implementation Process

With award of the grant, the national sponsor allocates the authorized VISTAs among the various local community organizations with approved projects. The role of the grantee is then to train the volunteers, check periodically on their activities, and handle the payroll and other administrative details related to the grant. The national grantee is also responsible for the training of local supervisors. The local sponsoring organizations are responsible for assigning duties to the volunteers, supervising their work on a day-to-day basis, and, if required, providing on-the-job training.

1. Training Inadequacies

In support of the national grants program, ACTION has contended that national grantees are capable of providing better training for VISTAs than the training provided by the agency. Based on observations and discussions with field personnel, the Investigative Staff believes this contention is, at best, debatable, and, at worst, possibly in error. No data were available on the comparative costs of national grantee versus in-house training.

In 1975, ACTION made an extensive study of the Domestic Operations training program, and one of the major findings was the following:

> "Training designs varied widely from region to region for all aspects of training (needs assessment, curricular content, and length of training), and for both volunteer pre-service orientation (PSC) and sponsor staff training. The wide degree of variation was unexpected * * *.

The implied criticism in this finding is no less applicable to training under the national grants. The following table illustrates the amount of training provided by ACTION and by seven of the national sponsors.

Agency/Grantee	Preservice (days)	Inservice (days)
ACTION ----------	2-3	as required
CORAP-----------	2-3	2-3
Midwest----------	2-10	2-3
PIRG------------	2-3	5
FSC-------------	10	-
La Raza----------	4	-
NAFO------------	3	-
NCUEA-----------	2-3	19 (8 sessions)

The main purpose of preservice training is to familiarize the volunteers with their rights, benefits, and responsibilities as quasi-Federal employees and to acquaint them with other topics related to their future work assignments. As the table shows, some sponsors were evidently able to get this material across in 2 or 3 days, while others required up to 10 days to accomplish preservice training. Even individual sponsors were not consistent. Midwest, for example, provided abbreviated 2-day preservice training sessions for some volunteers and extended 10-day sessions for others. This raises the question of how many days of preservice training the Government is actually paying for under the Midwest grant. As for curricular content, it varied as widely as the length of training. Midwest focused on community-organizing topics. So did CORAP, but with emphasis on actual on-the-job training in "doorknocking." At FSC, the additional 6 1/2 to 7 days were used to teach the volunteers about the various kinds of cooperatives with which they would be working, and La Raza training emphasized ethnicity and "culture shock."

Only CORAP, Midwest, PIRG, and NCUEA had provided inservice training. CORAP and Midwest used these sessions mainly to counsel the volunteers about on-the-job problems. NCUEA's inservice training was more formalized and consisted of eight 2- to 3-day sessions covering a range of organizing topics. On-the-job problems were also discussed. In-house VISTA training provides for inservice sessions only when requested by the sponsor. The agency will usually hire a consultant for this kind of work.

The Investigative Staff attended both CORAP and Midwest preservice training sessions. Both sessions featured lectures and discussions on community organizing and related topics such as selecting an issue, planning strategies, and running a meeting. Both sessions featured role playing as a teaching technique. The local ACTION State director attended the CORAP session and spoke for about 2 1/2 hours on the pay, benefits, and responsibilities of volunteers. ACTION was not represented at the Midwest session. While Midwest training was all of the classroom type, CORAP trainees spent up to several hours each day "doorknocking" in the surrounding neighborhoods to get a foretaste of building a community organization.

The training materials used by CORAP and Midwest have both been the subject of some controversy. On instruction from the ACTION Office of Compliance, CORAP had discontinued using its objectionable materials, and they were not in evidence at the session attended by the Investigative Staff. At the Midwest session, some of the handout material contained statements and language which could be construed as inflammatory. This document was made available to VISTA volunteers, presumably, recommended reading. Some examples of the questionable passages contained in the Midwest training document follow:

"The Third Principle of Direct Action organizing is that it attempts to alter the relations of power between people's organizations and their real enemies. The enemies are often unresponsive politicians, tax assessors, utilities, landlords, government agencies, large corporations or banks. [Emphasis added]

* * * * *

"Give people a 'taste of blood.' Push your opponents so hard you can see them squirm.

* * * * *

"You may want to assign some people to be 'inciters' and move about to heat up the action getting people angrier and encouraging them to show their anger. You may at other times want some 'calmers' to stand near people who may be disruptive to the focus of the action.

* * * * *

"Make what the opposition is doing or not doing sound scandalous. It generally is scandalous, but the edge may have been dulled by the routine manner in which it is normally treated.

* * * * *

"Your power is your ability to hurt the target or withhold something the target wants. The hurt can be immediate, as in a strike or boycott, or it can be potential, as when bad publicity will cause a politician to be unseated. You should always know exactly what kind of power you are using and how it will work.

* * * * *

"Stunts can help * * *. If, for example, a politician won't meet with you, tape a sign across his office which says, 'This Office Closed to the Public.' If someone won't come into a debate, put a dummy in the chair and debate that for dramatic effect.

* * * * *

"Be ever on the lookout to play targets off against each other, Republican vs. Democrat, Up-State vs. Down-State, In Group vs. Out Group. Your enemy's enemy may be your ally * * *.

* * * * *

> "* * * Civil disobedience * * * is not generally a good mass recruitment tactic. There are some exceptions. A community group * * * found that by having several hundred people cross a strategic street corner at rush hour, cars could be prevented from making a right turn on a red signal and traffic would be backed up for miles. The leadership was unjustly arrested * * *."

The Congress may wish to consider if the above philosophy for training VISTA volunteers is in keeping with the intent of the legislation which authorized the program. As previously set out, Midwest was awarded a grant of more than $500,000 to train volunteers.

The Investigative Staff had difficulty in discerning any differences in the quality of work performed by VISTAs who had received extensive training from the national grantee and those who had received none. In fact, two of the better projects visited were on the west coast, where VISTAs had been assigned since the beginning of the year, but no training had as yet been provided by Midwest, the national sponsor.

The casual approach to training also makes it difficult to evaluate its importance. Most of the sponsors require volunteers to take preservice training, but Midwest and NCUEA did not. At the Midwest session attended by the Investigative Staff, the organization informed all VISTAs in the area that 2 days of training would be provided in Boston on specified dates. It was then discretionary with the VISTAs to decide whether they wanted to come and how to get there. The Investigative Staff also found that many NCUEA volunteers had missed training sessions without any opportunity or apparent need for making them up. Since no rolls were taken, reconstructing which volunteers attended what sessions proved to be quite an undertaking for both Midwest and NCUEA.

The contention that national grant sponsors or other outsiders can provide better training than agency staff was strongly disputed by regional training officials with whom the issue was discussed. They also believe that in-house training is less costly. While these opinions are no doubt self-serving, at the same time they represent experienced judgments. All of these officials served with the agency in the past when training was contracted out and were familiar with the past costs and quality of the product.

2. Supervisory Training and Restricted Activities

A combination of poorly trained supervisors and inadequate monitoring by ACTION has resulted in VISTAs becoming involved in restricted activities.

Under ACTION policy, a VISTA may not be used to perform staff work. The Investigative Staff found a number of volunteers who are engaged in staff-related activities such as employment interviewing, teaching assistance, and sales work. The Domestic Volunteer Service Act prohibits VISTAs from engaging in labor organizing or political activities. The Investigative Staff also found violations of these restrictions. VISTAs assigned under both the CORAP and Midwest grants were participating in union organizing drives until instructed to discontinue the activity by the ACTION Office of Compliance. Other volunteers under the CORAP grant had actively participated in lobbying and other political activities.

The Investigative Staff believes that both ignorance and indifference were responsible for these situations developing. Project supervisors were inadequately trained and, as a result, unable to draw the line between proper and improper VISTA activities. On the other hand, ACTION State officials, who might ordinarily have been expected to pick up such violations, lacked the interest to monitor projects properly (if at all) because national grants were not their responsibility.

3. State Officials Wary of National Grants Projects

The Investigative Staff met with State directors and program officers in 12 States. All of these officials had reservations about the national grants program. All gave the impression that better control would have been exercised over local sponsors if they had come through the normal State process and that fewer problems, such as the union organizing and political activity violations, would have developed. These officials also stated that many components would have been required to submit better defined project narratives if State officials had had responsibility for approving local sponsors or else the projects would not have been approved. State officials were almost unanimous in feeling they had little input into the program and that their critical comments were often overlooked. As a result, many had developed a disinterested attitude and pushed the national grants program to the bottom of their priorities. Only three of those had ever visited local sponsors. All indicated they would get around to the projects shortly, but the impression was given that national grants was regarded as a Washington program and State officials did not want to be involved.

D. Findings - Evaluation Process

Several offices share responsibility for monitoring national grant projects. The national program officer in Washington manages the grant and has primary oversight responsibility. State offices also have a responsibility for monitoring local national grant projects, but the scope and intent of the State office role are not as yet well defined. In addition, both the Office of Policy and Planning and the Office of Compliance have performed evaluations of sponsors and projects under the program.

Status of Evaluations

Both the Office of Compliance and the Evaluation Office have conducted reviews of national grants. The Office of Compliance reviewed three national grants and had issued two reports at the time of the Investigative Staff study. The CORAP report was quite critical of the grantee and probably instrumental in CORAP's decision not to reapply for an extension of the grant. The Midwest review, although less critical, did not include two important items. First, the Investigative Staff had determined that union organizing activities by VISTAs was occurring in Rhode Island. Subsequent to that finding, the Office of Compliance ordered a termination of these activities. However, the Office of Compliance did not report this violation in the report of the Midwest review; consequently, no fault was placed on either Midwest or the local sponsor. The second item involved the training materials distributed to VISTAs by Midwest. There was no mention made about the questionable passages cited above in the report of the Midwest review, even though knowledge about them was available to the auditors and presumably to the VISTA management. In the opinion of the Office of Compliance, the agency was more at fault for not providing better training for the local and national supervisors and for the volunteers.

The Office of Policy and Planning has reported on 37 sponsors under 5 national grants. These reports disclosed some of the weaknesses the Investigative Staff found during visits to the same sponsors. The reports covered areas of concern but did not make any recommendations. These reports were sent to the program managers for corrective action on reported deficiencies, but the Investigative Staff found little evidence of their having been used for this purpose.

Because of the uncertainty about their role, as discussed above, the contribution of State officials to the monitoring and evaluation of national grant projects has been minimal. In the opinion of the Investigative Staff, this has been a major shortcoming of the program and is, as yet, unresolved.

VISTA Self-Evaluation

In October 1978, ACTION released the preliminary findings of a recent survey of VISTA volunteers and project supervisors.

One of the objectives of the study was to compare the activities and perceptions of national grant volunteers with those of VISTAs assigned to standard VISTA projects. In brief, the report concluded:

-- National grant VISTAs are more likely to be serving as community organizers and aiming toward goals of building self-sufficiency on the part of community groups.

-- National grant VISTAs are more likely to sense a feeling of job accomplishment.

-- National grant training covers more topics and was given higher ratings than standard VISTA training.

-- National grant VISTAs and standard volunteers perceive little difference in the quality of supervision received from their respective sponsors.

The conclusions with respect to training and supervision were confirmed by a team of 12 agency evaluators who made onsite visits to 70 standard and 37 national grant projects. The evaluators also found that national grant projects were more likely to conform with the new VISTA guidelines.

In discussing the review with the Investigative Staff, the director of VISTA implied that the results proved the success of the national grants program. The Investigative Staff finds it difficult to reconcile this favorable assessment with its findings or with the reports issued by the agency's own evaluation staff and the Office of Compliance. The reviews conducted by these offices disclosed many of the same weaknesses and problem areas found by the Investigative Staff, but the approach and format of the VISTA self-evaluation do not provide for reporting of program deficiencies. Further, the Investigative Staff is dubious about the validity of using an evaluation based almost wholly on perceptions of those involved as a measure of overall program effectiveness.

E. Conclusions

-- During the first year of the national grants program, ACTION awarded 12 VISTA grants to national sponsors on a noncompetitive basis. A number of these awards were made to friends and former associates of the VISTA director.

-- The decision to award national grants competitively was not implemented on a timely basis. The delay in making the change tends to defeat the purpose of the new policy. The policy of not competing second- and third-year continuation grants will serve to lock in organizations approved prior to the change and effectively minimize the number of new national grants available over the next several years.

-- Under the national grants program, social activists from the private sector took over State director responsibilities for identifying prospective VISTA sponsors. Further, State director comments and recommendations on local sponsors were given little weight in the approval process. As a result of these developments, field personnel do not feel they are a part of the program, and projects were not properly developed and have not been effectively implemented or monitored.

-- The practice of waiving operating policies to accommodate the national grants program was overdone. Some of the problems encountered with local sponsors might well have been averted if the policy requiring onsite evaluation of proposed projects had not been set aside. Waiver of the requirement for incorporation as a nonprofit organization opened the door for the assignment of volunteers to marginal organizations with little stability.

-- National grant project narratives were generally lacking in specificity with regard to goals, objectives, and time phasing. The emphasis was on getting the grant approved, and the quality of work plans was often compromised in the interest of accommodating the grantee with a timely award. Without quantified goals, no amount of evaluation can measure the success or failure of individual projects or, ultimately, of the overall national grants program.

-- Training provided by national grant sponsors varied widely in amount, course content, and emphasis. Instructional materials used by some sponsors were inappropriate for VISTA training. Training was generally well received, but many volunteers missed out on all or part of it either by personal choice or because the sponsor did not make it available. Conclusions expressed about the quality and costs of national grants training as compared with in-house training reflect, almost wholly, subjective opinions, with national office personnel favoring the change in training and with regional and State office officials defending the status quo.

-- Supervision provided by local sponsors under the national grants program has been deficient. The problem appears to be mainly attributable to the lack of rapport between national grant supervisors and State office officials. State directors have no responsibility for training or assisting project supervisors, and project supervisors have no interest in using State office resources when they have questions or need help. Largely because of weak supervision, VISTAs have been underutilized, used improperly, and have become involved in activities prohibited by statute.

-- Based on interviews, records and approval procedures, there appears to be an attitude among the VISTA officials that activities and projects proposed by the national grantees and sponsors often reflect the philosophies of the VISTA managers and are accepted on face value. Furthermore, these proposed activities (even though there is little or no relationship to helping the poverty stricken in a large number of cases) are often approved over the objections of evaluation boards and State directors. It also appears that unless violations of their own guidelines or laws are brought to the attention of the officials, there will be no attempt made to determine the propriety of the grants.

IX. COMMUNITY ORGANIZATION RESEARCH ACTION PROJECT

A. Background

The CORAP (Community Organization Research Action Project) grant was awarded on September 20, 1977, in the amount of $470,475. It provided for the training of 100 VISTAs, of whom 80 were to be placed with the ACORN (Association of Community Organizations for Reform Now) field organization to work with low-income people on a broad scope of local issues in seven States (Arkansas, Texas, Missouri, Tennessee, Louisiana, Florida, and South Dakota).

CORAP was organized in July 1977 for the purpose of receiving and administering the VISTA grant funds. With the incorporation of CORAP, a financial separation from the parent ACORN organization was established. It is otherwise difficult to distinguish between the makeup and operation of the organizations. The officers of both the CORAP board and the ACORN board are the same individuals. The project supervisor and the project coordinator are paid under the grant for full-time employment, but both are also on the ACORN payroll. Training under the grant is provided by the Arkansas Institute for Social Justice (the Institute), another spinoff organization run by two former ACORN organizers.

ACORN was organized in Arkansas in the early 1970s. It was an offshoot of the National Welfare Rights Organization but aimed for a broader base including medium- as well as low-income people. ACORN operations are community based. The job of the local organizer (the job to which VISTAs are assigned) is to set up and work with neighborhood groups and to provide guidance but let them decide their own issues and strategies. "Doorknocking" is the main device used to build membership. At the neighborhood level, issues tend to be parochial, such as a new street light, a stop sign for a pedestrian crossing, or clearing away an abandoned house.

At the same time, ACORN operates at the regional and national levels. The chairperson of each ACORN neighborhood group sits on the regional board, which sets policy and programming priorities within the State. Each regional board, in turn, designates two members to sit on the ACORN executive board. The executive board meets once a year and is the policy-setting and decisionmaking body for the entire organization. At the regional and ACORN executive board levels, the broader issues and strategies are developed for the overall guidance of the membership. Among the main issues of current interest to ACORN are public utility rates and the repeal of an Arkansas sales tax on food and medicines.

ACORN now operates in 13 States and claims some 16,000 dues-paying members. ACORN "family" dues are $16 a year. Total ACORN receipts in 1977 were given as $307,717, of which $74,600.49 was derived from membership dues. Expenditures in the same year totaled $331,908, for a deficit of some $25,000. The salary range for ACORN staff was given as from $3,200 to $10,000 a year. ACORN claimed to have a staff (excluding VISTAs) of some 90 employees.

The above data represents the sum total of all information that ACORN would give the Investigative Staff on the membership, staffing, and financial condition of the organization. ACORN refused to provide any records to substantiate the data.

In the opinion of the Investigative Staff, the refusal of ACORN to let its records be examined represents a deliberate effort to conceal evidence of an organization with serious financial problems and needing the VISTA grant to keep afloat. In the words of ACORN's own official organ, USA (United States of ACORN), in reporting on the Executive Board's consideration of the VISTA grant at its October 15, 1977, meeting, the discussion "* * * led into a discussion of ACORN's policy of taking money from the federal government. In the past ACORN has avoided being this close to federal funds, but our financial situation is such that we can no longer afford to be as distant--unless we are willing to see the organization risk death." Apart from ACORN's own acknowledgment of its tenuous financial condition, the Investigative Staff noted that in the States visited where VISTAs were working, ACORN had no more than 1 or 2 staff organizers assigned as compared with a total of 32 VISTAs. It might also be noted ACORN had at least 16 organizers who were immediately converted to the VISTA payroll upon approval of the grant. In the absence of documentation to the contrary, the Investigative Staff can only conclude that the information provided by ACORN on the size of its staff is exaggerated and that, in fact, VISTAs supported by the grant probably comprise the majority of the overall organization.

B. Findings

1. VISTAs Not Working With Poor People

Concern about not reaching a poverty constituency was expressed by several ACTION State directors in commenting on the CORAP grant. Based on observations of the Investigative Staff, the comments of several VISTAs, and ACORN's stated objectives, the Investigative Staff believes experience has proven the concern to be justified.

A fundamental concept of ACORN philosophy which the organization takes pride in having preserved is the idea of a "majority constituency." A majority constituency, as defined by ACORN, consists not only of poor people but all the people who are shut out of power or, more specifically, "low to moderate income" families. In ACORN's own words:

> "It is that majority that is going to have to be organized if there is any hope for changing--for reversing--the prevailing distribution of power."

Unless ACORN has changed this philosophy, the Investigative Staff has difficulty accepting assurances that VISTAs assigned to the organization will be working mainly with poor people; that is, families with incomes falling below the Community Services Administration's povery income guidelines.

In two of the three cities where the Investigative Staff made site visits (Little Rock, Arkansas, and Sioux Falls, South Dakota), the neighborhoods ranged in appearance from low to middle income. (The neighborhood in the third city--Hot Springs, Arkansas--appeared to meet the criteria as low income.) Similarly, the ACORN members to whom the Investigative Staff spoke, and their houses and surroundings, reflected, in the Investigative Staff's judgment, neither poverty nor affluence, but low to moderate incomes. Admittedly, this evaluation is subjective, but, to the extent it was discussed with ACORN staff also visiting the neighborhoods, it was not disputed.

The reaction of the VISTAs was likewise subjective (few were even aware of the poverty income guidelines) but sufficiently questioning as to cast doubt on the kinds of neighborhoods in which they were working. At least two VISTAs characterized the six communities in which they were working as more middle class than poor. One of these volunteers even expressed some remorse about not directing her effort more toward helping poor people as she had expected to do. Coincidentally, these volunteers were the only two VISTAs interviewed without the inhibiting presence of an ACORN staff member in attendance.

2. No Evidence of Community Takeover

One of the primary thrusts of ACTION's "new directions" is a change in emphasis from "direct services" to "mobilizing resources." The objective is the creation of self-reliant communities by developing within the neighborhood group a capability for continuing the activities and services provided by the group even after VISTA resources are no longer available.

The Investigative Staff sees no evidence of such self-sufficiency developing in the ACORN neighborhood organizations to which VISTAs are assigned. Quite to the contrary, the main organizational effort of a number of VISTAs appeared to be directed toward holding groups together or building memberships back up. It is difficult to give credibility to an organization that purports to represent the neighborhood but can only get six or seven people to attend a meeting.

Almost all of the VISTAs interviewed acknowledged the impracticability of the goal of community takeover. It is their commonly shared opinion that a neighborhood community organization cannot succeed without the presence of a full-time organizer. The members have the skills but seldom the time, the equipment, the facilities, the motivations, or the interest to keep the organization going. A staff person, that is, a paid organizer, will always be necessary to keep the group going.

ACORN, itself, acknowledges the continuing need for an organizer to keep the community group together and give it direction in its "community organizing model," a handbook which is the so-called "bible" for ACORN training. The handbook spells out the ongoing role of the organizer and describes it as a "critical process" in the continuing activities of the group.

The implication of this finding is that extension of the CORAP grant will require a long-term and open-ended commitment to provide money and volunteers. It is a commitment likely to be satisfied only if ACORN attains its implicit goal of becoming a mass populist movement and no longer requires Federal money for its support.

3. VISTAs Involved in Proscribed Activities

Section 403 of the Domestic Volunteer Service Act imposes restrictions on the use of funds appropriated under the act for political purposes and in the involvement of volunteers in political activities. The VISTA Volunteer Handbook elaborates on these restrictions to include nonpartisan politics and further prohibits VISTAs from lobbying activities, including "routine" involvement in attempts to influence legislation or governmental actions with respect to particular issues.

In May of this year, in connection with the Arkansas primary election, at least one VISTA (possibly more) was instructed by his ACORN supervisor to participate in a mailing of a slate of endorsements to ACORN members, develop and reproduce a flyer endorsing candidates to State and local office for distribution at neighborhood meetings, cover the polls and pass out a slate of ACORN endorsements, and distribute endorsed candidates' literature to members.

The VISTA who was asked to do these chores was justifiably concerned about their political implications and, in effect, refused to get involved beyond getting flyers endorsing ACORN candidates from the ACORN Little Rock office, where they were presumably developed and run off by other staff personnel, to his neighborhood group leaders for further distribution.

Also, in Arkansas, the Investigative Staff interviewed a VISTA who had been involved in scheduling appointments for the local ACORN Political Action Committee (APAC) to interview candidates running for office. APAC is the political arm of ACORN. In the St. Louis area, VISTAs were interviewed who had been routinely engaged in taking ACORN groups to the State capital (Jefferson City, Missouri) to meet legislators and lobby for particular bills.

ACORN's insensitivity to constructive criticism and possible intent to sidestep potentially restrictive guidelines and laws are suggested by the timing of these incidents. If the incidents had occurred during the first several months after the grant was approved, the poor judgment shown by ACORN might have been attributed to ignorance or misunderstanding about the VISTA role. This was not the case, however. The assignments were all made several months later, well after ACTION's own Office of Compliance had completed an audit of ACORN which emphasized that volunteers were under no circumstances to get involved in the political process.

Section 404 of the Domestic Volunteer Service Act prohibits VISTAs from engaging in labor organizing activities and imposes restrictions on funds appropriated under the act from being used "directly or indirectly" for such purposes. ACORN is involved in labor organizing. At its October 1977 meeting, the executive board unanimously endorsed a motion giving the ACORN chief organizer the authority and responsibility to organize the household workers in New Orleans and other unions along the same lines. The ULO (United Labor Organizations), which was described as a "separate entity" that ACORN "is helping to get started," shares space in the same building as ACORN in New Orleans. The sign in front of the building says "ACORN" on one side and "ULO" on the other. The HWOC (Household Workers Organizing Committee), also located in the same building, was said to be a ULO "subsidiary organization." It was stated that ACORN rents the building and that both ULO and HWOC rent space from ACORN, but the Investigative Staff was unable to verify this arrangement without access to ACORN's accounting records.

Five VISTAs were actively working with the HWOC, reporting directly to the chief organizer, until late this past spring when the ACTION Office of Compliance directed that the assignments be terminated. There is as yet, however, very much of an indirect involvement of VISTAs and the use of grant money in the labor organizing activity of ACORN. First, ACORN has only limited staff resources (payroll data not made available to the Investigative Staff). Without the VISTAs to take over neighborhood organizing chores, it is doubtful whether the manpower would be available to mount a credible union organizing effort. Thus, the availability of VISTAs is facilitating (if not making practicable) the ACORN move into labor organizing. Second, there are no safeguards, of which the Investigative Staff is aware, to prevent membership dues solicited by VISTAs from being used for labor organizing. The dues are used to cover all expenses of the organization, and these expenses would include, for example, the salary of the chief organizer, who, reportedly, has made himself responsible for the household workers organizing project. The Investigative Staff believes the collection of dues, by VISTAs, which go in any part to support this kind of activity is in violation of Section 404 of the Domestic Volunteer Service Act.

4. Accounting

The Investigative Staff reviewed the accounting system and the incurred costs for the CORAP grant through May 31, 1978, and found some transactions that should have been approved by ACTION prior to expending the funds. Also, inadequate accounting for subcontractor expenses and for ACORN contributions to the grant existed.

The budget plan for the grant provides salaries of $5,200 a year for both the project supervisor and the project coordinator. They have actually been paid at the rates of $5,700 and $4,000 a year, respectively, since the beginning of the grant. Neither change was approved by ACTION. Similarly, a travel expense of $684 was incurred for a supervisors' conference in New Orleans for which there was no evidence of ACTION approval.

The main subcontractor under the grant is the aforementioned Institute. The amount of the subcontract with the Institute is $41,712, estimated on the basis of a daily rate per volunteer for up to 12 days of preservice and inservice training plus the cost of training materials. Actual expenses for 1978 through the end of May were:

Preservice training----------$6,240
Inservice training----------- 6,016
Training materials----------- 1,300

Payment to the Institute is made on the basis of a billing whenever training is accomplished. A typical billing read: "2 days @ $32.00 per day X 12 volunteers equals $768.00." There was no substantiation for the $32 or any indication of how the cost was derived other than that it represented the estimated cost of training in the budget plan. Actual costs were not known. ACORN claims that ACTION does not require the subcontractor to submit billings on the basis of actual costs. If so, the policy is contrary to good business and accounting practice and should be changed. ACTION should also consider taking a closer look at what it is paying for in the way of training materials. Based on the Investigative Staff's review of the handouts provided for volunteers at the June 15th preservice training session, the $25-per-volunteer charge for the materials would appear to be grossly excessive.

The project narrative for the CORAP grant provides for ACORN's (and affiliate organizations') making certain contributions to the grant, as follows:

Resource	Source	Dollar Value
Legal Services	Bachmann & Weltchek	$ 20,000
Supervision	ACORN	20,000
Training	Institute	30,000
Supplies	ACORN	59,800
Research	Institute	10,000
Office Accommodations	ACORN	16,800
Publications	ACORN	8,400
Total		$165,000

Additionally, the need for an automobile was specified as a job requirement, and CORAP (ACORN) agreed to contribute up to $18,000 for the purchase and maintenance of up to 40 cars at $450 per car.

Upon investigation, it was found that the dollar figures provided by ACORN and affiliates were only estimates. There are no accounting records to substantiate the actual costs of services and supplies provided, nor, according to ACORN, does ACTION require any. It is difficult to understand what possible purpose it serves to include such information in the project narrative when there is no intent or requirement to back it up with expenditure data.

The commitment on the sponsor contribution for the purchase of automobiles will be further discussed in paragraph 6 below.

5. Monitoring Inadequate

The role of the ACTION State director in administering the national grants program is ill-defined. This problem, in combination with ACORN's predisposition to make its own rules for using VISTAs, has resulted in poor or nonexistent oversight of projects and improper assignment of volunteers.

Conditions in the project narrative clearly state that no volunteers will be assigned to duty in a State without the Governor's approval. Further, ACTION procedures require that the State director must be informed whenever a volunteer enters or exits a State. Yet, the Investigative Staff found that VISTAs from the St. Louis area had been asked to make weekend trips out of State to petition for a referendum on repeal of a sales tax on food and medicine in Arkansas, over 350 miles away.

The Investigative Staff also found that VISTAs are routinely assigned to work in neighborhoods other than those identified in the project narratives without obtaining approval from the State director or even notifying his office. As a result, State offices often have erroneous information or no current information on the VISTAs assigned in their areas and what they are doing.

6. Action on Office of Compliance Findings

Early this year, ACTION's Office of Compliance made an audit of the CORAP grant. The draft report was completed early in March, comments were solicited from the ACTION program office and from the grantee, major areas of difference between ACTION and CORAP representatives were discussed, and the final report was released on June 6, 1978. By letter dated August 1, 1978, CORAP advised ACTION of the measures being taken to implement the recommendations of the report. The major findings and recommendations fell into four areas, each of which is summarized below, with Investigative Staff comments as considered appropriate.

Training

The Office of Compliance found that materials used by the Institute were inappropriate for VISTA training. These materials include the Community Organizing Model and Community Organizing Handbook #2. Both publications contain inflammatory language which can be interpreted as encouraging VISTAs to get involved in proscribed political activity.

The Office of Compliance recommended revision of the training materials to delete objectionable passages and imposed the requirement for clearing the revised materials (or any other publications used in the training of VISTAs) prior to their use. One preservice training session has been held since the audit. It was conducted in Little Rock, Arkansas, on June 15, 16, and 17, 1978. The Investigative Staff attended several of the class sessions on the first 2 days. Neither Handbook #2 nor the Organizing Model was in evidence during these sessions. Materials that were used had been revised and approved by an ACTION representative. The Investigative Staff found none of the material used to be objectionable.

The Investigative Staff was subsequently advised that no further action had been taken to revise the original and objectionable training materials, but, instead, the documents would no longer be used for VISTA training.

Political Activity

The ACORN Political Action Committee (APAC) is the political action arm of ACORN. The auditors found that VISTAs may be indirectly involved in politics through their dues-collecting activity since the dues are used, in part, to pay the salaries of ACORN staff who participate openly in APAC activities on behalf of candidates. The auditors also found (as did the Investigative Staff) that, for practical purposes, ACORN and APAC are one and the same organiztion.

The Office of Compliance recommended that a series of measures be taken to establish a meaningful organizational and financial separation of the political activity of APAC from ACORN.

As of August 1, 1978, APAC was established as a separate legal entity. ACTION has made no further review to establish whether APAC and ACORN are, in fact, no longer totally interrelated organizations.

Attrition

The auditors found the attrition rate for VISTAs assigned to CORAP to be high. During the first 6 months, 25 percent of the volunteers left VISTA altogether and another 25 percent were reassigned to other VISTA projects. Over a comparable period in 1976, only 12.1 percent of the traditional VISTAs quit the program altogether.

The Office of Compliance recommended an indepth study of the problems causing VISTAs to quit CORAP and also that ACTION work closely with CORAP in seeking possible solutions.

While no "indepth study" has been made, discussions between ACORN and ACTION representatives highlighted some of the difficulties, but subsequent developments obviated the need for any remedial actions.

Transportation

Section 105(b) of the Domestic Volunteer Service Act requires ACTION to provide a VISTA with the support needed to do his job, including transportation. The work of a CORAP organizer requires an automobile. As part of the grant arrangement, CORAP agreed in the project narrative to contribute up to $18,000 to meet the statutory transportation requirements.

The Office of Compliance found that CORAP has not fulfilled its obligation to provide transportation, with the result that a number of volunteers had to go into debt to buy their own cars. Arrangements were made for the Institute to lend up to $300, interest free, to each volunteer in need, for the purchase of an automobile. The loans are repayable at the rate of $25 a month. An allowance of 7 cents per mile is provided to maintain the car. This plan for providing transportation has created financial hardship for a number of VISTAs.

The Office of Compliance recommended that CORAP be held to its commitment to contribute up to $18,000 before any grant moneys be used to satisfy the statutory transportation requirement. This recommendation was strongly protested by the ACTION program staff and CORAP, both of which claimed that ACTION (rather than the grantee) was at fault for not having specified in its recruiting materials that the volunteers would need cars to do the work. The purpose of the $18,000 contribution agreed to by the sponsor is not made clear in these comments.

When the Investigative Staff report was closed out, this issue was still largely unresolved. CORAP, after first proposing a budget revision to cut back the $18,000 commitment to $6,000 ("it has become clear that our estimate of $18,000 is too optimistic"), claimed, 2 months later, to have spent already well over $18,000 to meet the original requirement and asked ACTION for its "understanding that we have satisfied our commitment under this grant as it relates to transportation." The Investigative Staff was advised that ACTION did not propose agreeing to a settlement on such a basis.

7. National Grant Terminated

By letter dated September 20, 1978, CORAP advised ACTION that the organization did not intend to apply for a second year of funding under the national grants program. The Investigative Staff understands the main reason given for terminating the grant was adverse publicity.

CORAP, in turn, has been informed that the decision not to apply for renewal of the national grant will in no way prohibit or otherwise prejudice the organization from applying for VISTAs at the State office level through normal agency processes.

X. MIDWEST ACADEMY

A. Background

On July 6, 1977, the Midwest Academy submitted an application for a national grant to place 105 VISTA volunteers with 14 "grassroots organizations to help people in poverty gain the organizing skills to improve their own lives." A six-man Project Review Board (PRB) met and approved the proposed project and most of the organizations which were to receive volunteers; other organizations were conditionally approved and one disapproved. Several days later the project was again reviewed and approved in total by the chairman of the PRB and two other officials, without apparent consideration for the PRB disapproval of one project or the recommendations of several State directors for disapproval of other proposed sponsors. Of the three approving officials, the Investigative Staff noted that the chairman of the PRB was a consultant to ACTION at the time, who was subsequently put on the rolls as a full-time employee, and another was the executive director of one of the local sponsoring organizations approved to receive VISTAs.

On September 26, 1977, the VISTA director gave final approval to the project. The grant was awarded on October 4, 1977, for $432,235 and 85 volunteers.

Under the provisions of the grant, the Midwest Academy was to:

(1) Provide overall supervision for the sponsors.
(2) Provide training for the sponsors' supervisors.
(3) Provide preservice and inservice training for the VISTAs.
(4) Prepare materials for VISTA training.

B. Findings

1. No National or Multiregional Affiliations

The Midwest Academy has no formal affiliation with any of the sponsoring groups where volunteers were assigned. The sponsors were independent entities which made their own policy, plans, and decisions. The issues of the sponsors were parochial to the geographic areas they were serving and not part of a nationally coordinated program.

According to the VISTA director, national grantees were to have national or multiregional affiliations. They were to be selected because their projects demonstrated high national impact or addressed a special need/program emphasis area of high priority to VISTA. Midwest Academy does not meet these criteria. Midwest is a nonprofit corporation which is primarily involved in training and consulting. It is an independent entity and in no way is legally affiliated with any of the other sponsors in the grant. All sponsors visited stated they were independent entities and their only relationship with Midwest was for preservice training and occasional consultation with the Midwest advisor. There was no direct supervision by Midwest. When interviewed, Midwest's director told the Investigative Staff that the term "affiliate" had been loosely used during the early stages of applying for the grant. Although there were no direct relationships with the sponsors, Midwest was familiar with most of the supervisors and their organizations. The Investigative Staff feels that even this explanation of national affiliation is stretching the definition, as some of the sponsors were only recently formed and had no prior association with Midwest.

2. Lack of Uniform Training Program

Midwest Academy has not provided uniform training for all VISTAs working under the grant. Some VISTAs have received an intensive 10 days of training in Chicago. Preservice training for other VISTAs was completed in only 2 to 5 days. Still other volunteers on the west coast had received no preservice training.

Neither the grant agreement nor the project narrative was specific about the length of training to be provided by Midwest Academy. However, the budget submitted with the grant application included a line item for a living allowance for 10 days for each volunteer while in training. Each volunteer received this allowance upon entering service, indicating that Midwest, at least, intended to give all volunteers 10 days' training sometime during their year of service.

The following schedule identifies the length and location of Midwest training sessions for VISTA volunteers.

MIDWEST ACADEMY

Organization	Preservice	Inservice
	(Calendar Year 1978)	
The Daily Grind	Jan. 13-14	March 1-2
Providence Working Women	Jan. 13	March 1-2
Concord Women	March 1-2	July 10-11
Office Workers of New Haven	March 1-2	July 10-11
12 to 1	March 1-2	July 15
Worcester Working Women	Jan. 13-14	July 10-11
Brattleboro Women	Jan. 13-14	March 1-2
60 Words Per Minute	March 1-2	March 1-2
Capital Regional Conference of Churches	July 10-11	-
Vermont Alliance	May 8-19 June 21-24	-
Rhode Island Workers	July 10-11	-
Green Island Neighborhood Center	Feb. 16-24	-
NJ Public Action	May 8-19	June 20 July 10-11
NJ Federation of Seniors	July 10-11	-
Ohio Public Interest Campaign	Feb. 16-24 May 8-19	- -
Cleveland Working Women	Jan. 15-27	-
Dayton Working Women	Jan. 15-27	-
Kensington Joint Action Council	July 10-11	-
Illinois Pubic Action	Feb. 16-24 May 8-19	-
Working Women East Coast	Feb. 16-24	-
National Consumer Foundation	Jan. 15-27 March 23-26	April 19 July 13,26
Orange County Sponsors Council	-	-
Pacific Training Institute	-	-
Oregon Fair Share	-	-
Citizens Energy Coalition	Feb. 16-24	March 15 April 14 June 22
9 to 5	Jan. 14 March 2	July 10
Carolina Brown Lung	May 2-3	-

As the table shows, the amount of training given the volunteers varied widely according to which sponsors the volunteers were assigned. Midwest's director told the Investigative Staff that the optimum situation would have been for all VISTAs to have attended 10 days of training; however, because of extenuating circumstances, Midwest was forced to reduce its training program to less than 10-day sessions.

The Investigative Staff brought this matter of possible overpayment of living allowance to the attention of the agency, which advised that it would determine if refunds from some volunteers were in order.

All volunteers spoke well of the training provided by the Midwest Academy. They considered the trainers professional and the sessions instructive. The Investigative Staff attended a 2-day session in Boston and generally agreed with the volunteers' comments. The primary concern with the Midwest's training program is with some of the statements included in the training materials, as illustrated earlier in the report. Such language is intemperate and, if taken literally, could encourage VISTAs to take actions not contemplated by the Congress.

3. Poor Selection of Sponsors

All of the local sponsors were independent entities. None had any affiliation with Midwest Academy; some had a loose affiliation with one another. Some of the organizations were newly formed, but the VISTA volunteers assigned to them had previously worked for a predecessor group in some capacity. A number of the organizations were not serving poverty constituencies, and the VISTAs assigned were not working with poor people.

ACTION's State directors' comments were solicited on the sponsors' project narratives. State directors recommended disapproval of some four or five components. The Investigative Staff was advised by headquarters personnel that the projects were approved because additionally submitted material had convinced the State directors of the projects' appropriateness or the Project Review Board had overruled the State director for its own reasons. State directors advised the Staff that once they had disapproved the sponsors, they were never approached again until after the projects were approved.

The Investigative Staff visited 11 of the local sponsors under the grant. Of these 11 projects, 5 had the objective of improving the lot of workingwomen. Several difficulties were found with the activities of these organizations. First, they had not established that the workingwomen were poor or the proposed VISTA assignments poverty related. After the grant had been in existence for 10 months, the strongest of these groups, the 9 to 5 Organization, was only then completing its survey to determine the income levels of the women in its target group. The Investigative Staff examined a copy of the results of the survey but found little of value in the data. It leaves the question of whether these organizations are serving a poverty constituency still largely unanswered.

In other workingwomen organizations in Worcester, Massachusetts; Concord, New Hampshire; and Amherst, Massachusetts, the Investigative Staff found the groups to have primarily one-person staffs, with that one person being the VISTA volunteer. Most of these groups had total funds amounting to only enough to pay for the telephone and supplies. The job sites usually consisted of one or two small rooms which were on loan from another organization on a rent-free basis.

In Chicago, the Investigative Staff was told that the West Town Community Center did not exist prior to the grant application, and even now it is a one-man organization, with five VISTA volunteers assisting him.

The supervisor of the VISTA volunteer at the Green Island Community Center informed the Investigative Staff she had never heard of Midwest Academy and that she was not sure how she received her volunteer. She had applied to Massachusetts Fair Share for two volunteers and only received one. The one she received worked 50 percent of the time for her and 50 percent of the time for Massachusetts Fair Share.

In the project narrative, Midwest stated that the local sponsors were selected on the basis of "a past history of success in selecting key issues and getting results; a tradition of good trainee supervision; solid prior funding or * * * a realistic funding base on which to begin operations; roots in and skill at organizing in a poverty community and a demonstratable need for the volunteers." The Investigative Staff believes that these criteria were largely disregarded in selecting sponsors. Rather, it appears that sponsors were selected on the basis of Midwest's prior acquaintance with the supervisors of the local organizations, coupled with the agency's desire to support a workingwomen's program.

4. Questionable VISTA Activities

-- Volunteers Serving in Staff Positions

At three of the sponsors visited, the VISTA volunteer was the only full-time employee. All three of these volunteers had worked with the organizations prior to becoming VISTAs and were now performing identical functions as before, but they are now on the VISTA payroll.

-- Saving a Community Center

Two VISTAs are working full time to save the South Shore Community Center in Chicago. The center is a former private country club which is likely to be torn down unless enough money can be raised to convert it to a full-time community center. Although the project supervisor and volunteers insisted that this is a program designed to help the poor citizens of the South Shore community, the effort appears to the Investigative Staff to be more a community project to save a landmark and at the same time provide social services for a largely middle-income neighborhood.

-- Organizing a Union

The two VISTAs assigned to the Rhode Island Workers Association (RIWA) in Providence were engaged substantially full time in proscribed union organizing related activity. Their target was the jewelry workers. As part of this effort, they were publishing a monthly newsletter entitled "Links and Chains," which, in its first issue, characterized itself as:

> "* * * the newsletter of the Jewelry Workers Organizing Committee (JWOC), a new community group in Rhode Island. * * * Although we may be working in different factories, our wages, benefits, and working conditions are the same everywhere - - they stink.
>
> "We aim to change that, we can improve our situation - - but only if we work together, we can't let management separate us on the basis of sex, race, or language barriers."

Neither the VISTAs (both of whom were working for RIWA at the time they were picked up on the VISTA payroll) nor the project supervisor acknowledged doing anything improper. In their view, getting workers together is not necessarily union organizing activity; "confrontation" with the employer is the critical factor.

The ACTION State director, who was aware of RIWA's union organizing activity, did not see fit to visit the project or make any effort to stop it. His disinterest reflected the attitude typical among State office officials that national grant projects were not their responsibility.

Subsequent to the Investigative Staff's visit, the ACTION Office of Compliance reviewed the RIWA project and directed the grantee to discontinue the involvement of VISTA volunteers in activities related to organizing the jewelry workers. For reasons not altogether clear, the incident was not included in the generally favorable report on the Midwest grant.

XI. THE NATIONAL CENTER FOR URBAN ETHNIC AFFAIRS

A. Background

The National Center for Urban Ethnic Affairs (NCUEA), a national nonprofit organization affiliated with the U.S. Catholic Conference, was established in 1970. Its goals are to provide assistance to urban working class and ethnic groups in meeting neighborhood revitalization needs. NCUEA focuses on citizen involvement through over 150 neighborhood organizations.

On August 8, 1977, NCUEA submitted an application for an ACTION national grant. The goal of the project was to identify people interested in being trained for careers in community organizing and give them a year of service while they were being trained.

In order to accomplish these goals, NCUEA selected 39 of its affiliated neighborhod organizations to serve as the training sites. According to NCUEA's proposal, these organizations were chosen because they met NCUEA and VISTA requirements of being community controlled, had specific issues which could be dealt with by using organizing strategies, were poverty constituencies, and were directed by a board elected at some form of community convention.

These organizations operate in 16 States (New York, New Jersey, Massachusetts, Rhode Island, Connecticut, Maryland, Pennsylvania, Delaware, Virginia, Michigan, Ohio, Kentucky, Wisconsin, Illinois, Indiana, and Missouri) and the District of Columbia.

After review of the NCUEA application and those of prospective local sponsors, the NCUEA was awarded a VISTA national grant on November 29, 1977. The amount awarded was $491,106 to support 75 volunteer service years and 100 training entries.

B. Findings

1. Recommendations for Sponsor Disapproval Overruled

ACTION State directors and the Project Review Board recommended that several sponsors be disapproved from participating in the project. Their recommendations were overruled and the sponsors allowed to receive VISTA volunteers.

The Investigative Staff reviewed State director comments on project narratives submitted by 20 of the 39 organizations ultimately included in the project. Comments on the other 19 organizations had either not been submitted or were not available in ACTION headquarters. Of the 20 reviewed, State directors recommended that 10 organizations be approved and 8 disapproved and that 2 completely rewrite their project narratives. Reasons cited for disapproving the sponsors were that they were weak organizations, goals and objectives were not measurable, work plans were vague, impact on community was minimal, the neighborhood was too far gone to help, and the activities were not poverty related.

ACTION's Project Review Board met on October 20, 1977, to review NCUEA's application and the project narratives submitted by the various organizations. Of the 39 sponsors, the Board recommended that 7 be disapproved and 9 be approved conditionally. (Only 3 of these organizations were also on the State director disapproval list, resulting in a total of 11 of the 39 sponsors being disapproved by either the State directors, the Project Review Board, or both.) Some of the reasons for disapproval were that the sponsors were not active in a poverty area, potential problems with employees of the Comprehensive Training and Employment Act (CETA) and VISTAs at the same site, and the organizations were ineffective. The reasons for conditionally approving the sponsors were the lack of statistical data supporting poverty-level communities and the goals and objectives were not quantified.

All but 1 of the 11 questionable projects were ultimately approved by ACTION on the basis of either the submission of additional information by NCUEA, meetings between the director of VISTA and the prospective sponsors, or site visits by VISTA personnel.

The Investigative Staff met with ACTION State Office officials in New York City who are responsible for monitoring 3 of the 11 questionable projects. These officials advised that two of the sponsors were mainly concerned with keeping their middle-class neighborhoods from deteriorating and becoming low-income. It was further indicated that one of the projects even appeared to have racial overtones and was aimed, in part, at keeping minority groups out of the neighborhood. The Investigative Staff visited all three sponsors and spoke with the VISTAs at each location. One site was obviously a depressed area, but because of the lack of quantifiably defined goals it was impracticable to determine if any of the volunteers had performed their assignments effectively. The VISTAs at the other two projects did appear to be working mainly with middle-class communities and were not particularly engaged in poverty-related activities. One, for example, was organizing a mini-olympics for the community children, and another was trying to get a soccer field for the Polish-speaking residents of the community. In these particular instances, the wisdom of not having followed the State directors' recommendations would appear questionable, and the sponsors should have been disapproved.

Since award of the grant, three of the sponsors who were originally disapproved and two of the sponsors who were conditionally approved have either voluntarily left the program or been asked to leave by NCUEA. This too suggests that State director comments should have been more carefully considered.

2. Inadequate Living Conditions During Training Sessions

During the training sessions, the VISTA volunteers were required to stay at quarters lacking privacy or adequate toilet and bath facilities.

Each of the local sponsors was required to host one or more of the training sessions for the VISTAs in its designated region. The sponsors were to provide the training facilities and living quarters with their own resources, while NCUEA provided $250 per session for food for all attendees. (This works out to about $1.50 per person per meal for a 2 1/2-day session.)

Most volunteers with whom the Investigative Staff spoke voiced no objection to the living conditions or meals at the training sessions; instead, most seemed to have enjoyed themselves. However, several volunteers were upset by the frugal living conditions. For example, at one location, VISTAs were required to sleep in 4-man tents at a campsite with 1 latrine for about 20 men and women; at another training site they were housed in a home with 1 bathroom for 15 to 20 people. One volunteer told the Investigative Staff of having to make do with a sleeping bag at the local YMCA because he had no money, while most of the other volunteers were given quarters in private homes, or rented motel rooms with their own money. According to an ACTION memo:

> "The Baltimore training sessions were held in a building which was being renovated. The building was without heat and no shower/bath facilities were available. The VISTAs refused to sleep in the cold building and space was found in homes of the host site staff."

Several volunteers told the Investigative Staff they had missed training sessions rather than put up with the inadequate accommodations.

ACTION officials advised the Investigative Staff that at their in-house training sessions, adequate sleeping and bath facilities are always provided. The students are either housed at facilities with adequate living quarters and toilet facilities or they are given per diem to pay for proper quarters and food.

The Investigative Staff believes that many VISTAs accept these conditions because they are trained to expect austere living accommodations as part of their volunteer service. As applied to training sessions, the Investigative Staff is not sure that this is a correct attitude or even ACTION's expectation of what should be required of a volunteer. While the Investigative Staff agrees that volunteers should try to live in or near the community where they are working and make appropriate adjustments, the Investigative Staff also feels that a standard should be established entitling all VISTAs (traditional and national grant) to receive equal or equivalent accommodations and meals during their training periods.

3. Need for Measurable Goals

The goals and objectives set forth in the local sponsors' project narratives are expressed in such general language that it is impossible to evaluate what, if anything, is being done to accomplish them.

ACTION policy requires that sponsors requesting VISTA volunteers set up measurable goals and objectives attainable within a given time frame and which can be evaluated by the program officers. ACTION State directors advised the Investigative Staff that this was a firm policy and they would not approve a project unless it met these criteria. ACTION headquarters staff appears to be more lax about conforming with this policy and, under the NCUEA grant, approved a number of sponsors whose stated goals and objectives are not readily measurable.

ACTION's State directors are responsible for monitoring the progress of the national grant sponsors in their respective States. The Investigative Staff visited two State directors responsible for local sponsors under the NCUEA grant. One advised that he had not visited the sponsor as yet. Following the Investigative Staff interview, however, he did make a site visit and later reported that the volunteers had not been given job descriptions and knew neither what their goals and objectives were nor what they had accomplished to date. The program officer at the other State office had visited the sites and reported:

> "The goals and objectives statements are not quantified. Time phasing is absent. While the job descriptions are good, quantification or benchmarks necessary for monitoring and evaluation are missing. Assessments can be made concerning the energies put out but no way can one assess the energy output with regard to goals."

The quantification of goals and objectives is a commonly accepted management tool permitting evaluation of the progress of programs. To facilitate the evaluation of national grant projects, sponsors should be required to conform with the policy requiring that goals be measurable and time phased.

4. VISTAs Working in Nonpoverty Areas

A number of the VISTAs under the NCUEA grant are not working in predominantly low-income communities and serving the needs of poor people.

The Investigative Staff visited 13 of the 39 NCUEA sponsors with active programs. From observation of the neighborhoods and discussions with the VISTAs and project supervisors, it is estimated that at least 7 of these 13 projects are aimed mainly at lower middle-income communities which may have some scattered poverty-level pockets. Most of these sponsors were well established, had active memberships and boards, and were relatively well funded. A number of the volunteers with these sponsors were working with senior citizens of indeterminate income level. Statistical information on the economic level of neighborhoods was seldom available, or, if it was, the data had been compiled during the 1970 census and was outdated.

5. Questionable Need for Nine Training Sessions

Many volunteers had missed one or more training sessions without any opportunity or apparent need for making them up.

According to the grant, NCUEA is required to provide, in total, nine 2 1/2- to 3-day training sessions for each VISTA (one preservice and eight inservice). Each of the local sponsors is responsible for hosting the sessions on a rotating basis for the VISTAs in its designated regions.

The following table illustrates the absenteeism of the volunteers:

Sponsor	Number of Volunteers	Number of Sessions Missed
Rape Crisis Center	2	-
Christian Communities Committed to Change	2	2
Congress of Ethnic Neighborhood Oganizations	2	1
South East Massachusetts Advocacy Center	1	2
Springfield United Neighborhoods	1	2
Interfaith Adopt-a-Building	5	7
Neighborhoods of Williamsburg and Greenpoint	4	8
Service Through Organized People	1	3
Coalition of Peninsular Organizations	3	3
Reservoir Hill Community Assoc., Inc.	1	2
Wilmington United Neighborhoods	3	2
Philadelphia Community for Ethnic and Neighborhood Affairs	2	6

During preservice training, a representative of the local ACTION State office usually conducts a session on the VISTA handbook covering such topics as health and financial benefits, and the "do's" and "don'ts" imposed by the Domestic Volunteer Service Act and the Hatch Act. Since there are no makeup sessions, those VISTAs who entered the program after February 1978 missed this discussion. Some stated that NCUEA discussed the topics with them at other sessions, but others said their supervisors just gave them the handbook to read. Again, with regard to the inservice training sessions, there did not appear to be any undue concern if they were missed. Some of the reasons given for missing these sessions were weddings, vacation, illness, late hiring, lack of interest, and finances. Some of the locally recruited volunteers were mothers who complained that the number of training sessions was a hardship on them and their families.

ACTION normally gives its traditional VISTAs 3 days of training when they enter service. Additional inservice training may be given if the sponsor can justify the need for specialized training for the volunteers. In comparison, this national grant calls for NCUEA to give approximately 22.5 days of training to each volunteer during the year.

From the Investigative Staff discussions with the VISTAs, it appears that NCUEA is holding too many training sessions. While the additional training should improve the volunteer's knowledge of how to organize and resolve day-to-day problems, those VISTAs who had missed training appeared no less skilled and adept at their work than the others who had attended all of the sessions. Also, there is good evidence to suggest that the excessive training requirement created unnecessary hardship for a number of volunteers.

6. Attrition Rate Excessive

During the first 10 months of implementation of the grant, 40, or 38 percent, of the volunteers recruited left the project. An NCUEA official attributed the high attrition to (a) need for more money, (b) better job offers, (c) dislike of organizing, (d) health, and (e) a variety of unrelated personal reasons. The Investigative Staff was unable to reach any general conclusion for this higher than normal attrition rate, especially since the majority of the volunteers were locally hired. Field officials and volunteers seemed to feel that competition with the CETA program was an important factor in explaining the attrition rate. At some sites, VISTAs and CETAs are doing basically the same work, but the CETA employee is making much more money. Some VISTAs have found this situation sufficiently disturbing to leave the program.

XII. NATIONAL PUBLIC INTEREST RESEARCH GROUP CLEARINGHOUSE

A. Background

The Public Interest Research Group (PIRG), commonly known as a research and advocacy organization, began in 1970 as a network of student-run groups working in behalf of the public on such issues as consumer legislation, utility rate increases, voter registration, and housing problems. There are currently 30 State PIRGs, headquartered in major cities, with local offices located mainly on college campuses throughout the States. Each PIRG is an independent entity with its own board of directors and staff. Staff usually consists of a few paid workers and student volunteers. The PIRGs receive the major part of their financial support from student fees and private contributions.

The National PIRG Clearinghouse was established in July 1977 in an effort to expand the role of the national headquarters. The clearinghouse is not a national office in the sense of making policy or controlling the activity of the individual PIRGs. Rather, its responsibilities are mainly in the areas of (1) communication among the PIRGs, (2) planning national projects, (3) training, (4) fund raising, and (5) technical assistance.

In November 1977, the clearinghouse applied for a national VISTA grant in behalf of its members. The goal of the project, as stated by the sponsor, was "to identify, document and solve poverty problems" in 15 States and the District of Columbia. On December 16, 1977, ACTION awarded a grant in the amount of $289,767 to the clearinghouse. The grant provided for 60 training entries and 45 volunteer service years.

B. Findings

1. Poverty Orientation Doubtful

Prior to the national grant with ACTION, PIRG efforts were aimed at benefiting the general public and not necessarily the poor. Accordingly, to get VISTAs, the clearinghouse agreed that volunteers would be used only in low-income communities and work only on poverty-related issues.

The Investigative Staff visited the New York PIRG headquarters and three work sites for volunteers assigned to the organization. At best, the Investigative Staff found only one of the sites to be obviously depressed and low income. However, the VISTA assigned to the project was not working with one of the many pressing poverty-related issues in the area. Rather, she was attempting to set up a community center to help residents of the neighborhood with actions in the

Small Claims Court. In the process, she was providing direct services for claimants more so than organizing others to do the work and build a self-sustaining organization.

The other three volunteers in New York City were assigned to areas in the Bronx, and they, too, were addressing a problem which more typically is found in declining neighborhoods rather than poverty areas. The issue was redlining. To the date of interview, the volunteers had been doing mainly research, involving the examination of bank and real estate records to determine the number of mortgages and small business loans granted by Bronx-based savings institutions. They expected to issue a report within a few weeks which would take the position that there are few mortgages in all of the Bronx and that private lending institutions have given out mortgages but charge "an arm and a leg." On the day of the interview, all three volunteers were petitioning on a street corner, urging local bankers to stop redlining and to make available needed funds to stop deterioration and decay in the neighborhood. The area in which the petitioning was being done was not one of poverty.

No work sites were visited in Albany, New York, where six VISTAs were assigned, but income data was provided on the three main target communities. The 1970 medium income for a family of four in two of these neighborhoods exceeded the Community Services Administration 1978 poverty-income thresholds; the third neighborhood conformed with the standard. As in New York City, the PIRG VISTAs in Albany were addressing problems that may be tangentially related to poverty but could hardly be considered as pressing issues by truly poor people. Of the six VISTAs in Albany, two were assigned to another Small Claims Court project, and the other four were working with property tax issues. (Two of the latter group were initially researching redlining in Albany but were unable to find that any real problem existed.)

2. Issues Not Established Locally

ACTION policy provides that community organizations approved for placement of VISTAs should determine for themselves the issues important to the group and on which to focus their time and resources. Under the PIRG grant, issues are not decided on this basis. New York PIRG officials advised that its board of directors, which is elected by the total membership, develops policy and establishes the issues (redlining, small claims, property tax, etc.) around which the local affiliate groups are then expected to organize. The local groups do not have their own policymaking bodies such as an advisory counsel or a board of directors. Rather, they have steering committees which develop the tactics and strategies to carry out State policy.

This management model, with policy and issues dictated from above, would appear to conflict with the current VISTA emphasis on placing volunteers with "grassroots" organizations.

3. New York PIRG and Lobbying

The House Committee on Appropriations Report of June 24, 1974, states in part:

> "The Committee is disturbed over the fact that ACTION has funded * * * public interest research groups. In the opinion of the Committee, this is an entirely inappropriate use of Federal funds. The Committee directs the agency * * * to assure that Federally assisted volunteers are not being assigned to public interest research groups or other organizations of similar character."

The report gives the impression that the Committee was mainly concerned about the likelihood of volunteers becoming involved in the lobbying activity of public interest groups, if assigned to such organizations. In any event, ACTION so interpreted the Committee's intent and did take precautions to make sure VISTAs would not take part in lobbying.

While New York PIRG supports an active lobbying program at the State level, there is no evidence of any direct VISTA involvement in the effort. The Investigative Staff suggests, however, that there may yet be some question about the propriety of assigning VISTAs to organizations which, among other activities, lobby for special interest legislation. By adding to the manpower resources of such groups, ACTION enables the organization to divert more staff to higher priority projects which may well include legislative lobbying. Thus, the availability of a VISTA may facilitate the performance of a restricted activity, even though the volunteer has no direct involvement in it.

XIII. NATIONAL COUNCIL OF LA RAZA

A. Background

The National Council of La Raza grant application was submitted on July 29, 1977. It was approved on April 3, 1978, in the amount of $265,266. The proposal provided for 40 VISTAs (49 training entries) working in projects extending over five States; namely, Arizona, California, Kansas, New Mexico, and Texas. The total number of volunteers on board as of September 7, 1978, was 32.

The National Council of La Raza (NCLR) was established in 1968 with a Ford Foundation grant. It is a private, non-profit corporation dedicated to furthering the interests mainly of Mexican-Americans in the Southwest. To accomplish this objective, the organization plays both an advocacy role and provides technical assistance to Chicano organizations in such areas as business and economic development, employment, housing, education, health, and communications. The NCLR is linked with some 108 local affiliate organizations, each active in its own community in sponsoring programs to improve opportunities for Chicanos. For the 9 months ending June 30, 1978, NCLR had revenues of $994,000 and expenses of $972,000. About two-thirds of the organization's funding is with Federal money and one-third from private foundations. NCLR has a staff of some 35 employees, located in Washington, D.C., and 3 field offices.

The NCLR grant is supervised by a project director assisted by a full-time training coordinator. Both of the employees are located in the council's Albuquerque, New Mexico, field office.

B. Findings

1. Undue and Unnecessary Delay

The president of the NCLR complained to the Investigative Staff about the extended delay before the organization's grant application was approved. Review of the file indicates the delay was mainly attributable to the generally poor quality of the project proposals, some of which had to be resubmitted several times to clarify problem areas, identify goals and objectives, and better describe how VISTAs were to be used.

This problem raises serious questions about the efficiency of the national grants process. ACTION State offices are much better situated to provide sponsors with technical assistance and support in developing a proposal than are program officials located in Washington, D.C. While the latter officials may call on the former to provide such services, the procedure is time consuming and less effective than if the State office were negotiating directly with the sponsor. Further, it would be naive to assume that a State director can take the same interest or will allocate as much of his time to a grant for which headquarters is ultimately responsible as to a self-developed project.

At the same time, the Investigative Staff has difficulty understanding what benefits ACTION (or Government) derived from awarding the NCLR grant to a national sponsor rather than to individual projects through regional and State offices. Apart from providing the project director and training coordinator, who were hired specifically for the purpose and are paid from grant funds, NCLR has little to do with the administration of the grant and provides no policy or other guidance for local sponsors to whom the VISTAs are assigned. Local sponsors view NCLR mainly as a voice in Washington, D.C., for the Chicano cause and as a possible source for Federal money. It is suggested that equally effective supervision of the seven projects could be provided and at lesser costs by the local sponsors themselves with the advice and support of the State offices. As for training, the Investigative Staff was advised that NCLR drew heavily on ACTION resources in the Dallas regional office in getting together its training agenda. NCLR has no training component as such.

2. Poor Project Planning

The Investigative Staff found little evidence of any improvement in the quality of the NCLR project proposals as a result of the prolonged negotiations preceding award of the grant. "Redevelopment" of the projects consisted, in fact, of little more than changing words in the proposal for the purpose of giving the projects the appearance of conforming with ACTION criteria for assignment of VISTAs. The substance of the proposals (or lack of it) was left unchanged.

The Chicanos Por La Causa project is illustrative. The ACTION State director disapproved the original proposal for, among other reasons, the lack of a clearly defined problem, the need for clarification as to what the VISTAs were to accomplish, and a concern about whether VISTA responsibilities were to be staff related. None of these issues was satisfactorily resolved, but after a subsequent exchange of correspondence between the VISTA national program office and the sponsor, the project was approved.

Discussion with the three VISTA volunteers subsequently assigned to the project indicates that the State director's concerns were well founded and that no real planning had been done for use of the VISTAs. One VISTA, a recent college graduate with a major in education psychology, was told he would be involved in setting up a junior college counseling program. He was also told he would be involved in an airport relocation project. He is, in fact, acting as a "gofer" for the education director of the organization and doing background "research" on a bilingual program for preschool children. The second volunteer, whose academic interest was child psychology, was led to believe she would be working in a youth program but was, in fact, placed in a senior center where she talked to guests, served lunches, cleaned up, and called numbers in a bingo game. She complained about the assignment, was given another job, and is currently "researching" the process of setting up a day-care center. The third volunteer was also placed in the senior center, and it was neither what she expected nor to her liking. She was subsequently reassigned and is currently working in a staff position as an employment interviewer in a CETA-funded manpower center run by the sponsor organization. While she does not mind her current assignment, the volunteer expressed some puzzlement about her work not being more poverty related.

The Investigative Staff shares the opinion of one of the volunteers that all three VISTAs on this project are being used as "cheap staff" rather than as organizers as described in the project proposal.

3. VISTAs Performing Direct Services

The new VISTA Guidance Papers (March 1978) provide that a volunteer is not to perform a direct service unless the "service is part of an overall organizing strategy." Two of the NCLR projects visited by the Investigative Staff involved educational components, both of which were using VISTA resources to supplement the teaching staff.

The Association for the Advancement of Mexican Americans (AAMA) in Houston, Texas, is an organization providing services to youth, mainly of Mexican-American background. One of its six activities is an education program covering grades 9 through 12 and especially designed to motivate the interests of Chicano youth in academic achievement. One of the VISTAs assigned to AAMA is a recent graduate of the program, where her main academic interests were photography and the visual arts. She is currently planning course work and instructing in those same fields in the school as well as doing some general public relations work for the AAMA organization. Another VISTA assigned to the project has also been doing substitute teaching in addition to a number of staff-related duties.

Similarly, four of the eight VISTAs assigned to the Guadalupe Organization in Phoenix, Arizona, are also engaged in full-time teaching activities and constitute almost the entire faculty of the educational facility sponsored by the organization. This is a trilingual (English, Spanish, and Yaqui) school covering preschool through grade five, and with a program designed to better meet community needs than the neighborhood public school. While these volunteers are performing a worthwhile service, the Investigative Staff cannot reconcile their activity with the guidelines. It is not related to any overall organizing strategy, and upon completion of their tour the VISTAs will either have to be replaced or the service discontinued.

4. VISTAs Performing Staff Work

The VISTA guidelines provide that a volunteer cannot be used to perform staff work, but what is meant by staff work is ill-defined. The usual concept of staff work is any activity in support of an organization's primary mission, but in the overall context of ACTION jargon, it seems to mean any services not related, directly or indirectly, with organizing the poor and underprivileged to help themselves. In either case, a number of the VISTAs assigned to NCLR projects are being used improperly to perform staff-related work.

For example, the aforementioned VISTA assigned to AAMA who has been substitute teaching has, in addition, been engaged in a variety of teacher-aide activities such as getting the school library books arranged, assembling forms, applications, and other materials for a proposed "world of work" class, and preliminary counseling of students with personal problems. The other volunteer with AAMA is also doing staff work. She has been working as an aide to the three professional drug abuse counselors making up the AAMA drug counseling program, and her "organizing" activity has consisted mainly of setting up orientation sessions for youngsters with potential drug-related problems.

As an example of staff work in the broader context, four of the six VISTAs assigned to the Centro de La Raza project in East Long Beach, California, are providing the staff resources to establish a community development corporation component as part of the Centro de La Raza organization. For the VISTAs, none of whom even knew what a community development corporation was before the assignment, the introduction to the world of financial subsidies and grants is diversified and challenging, but it is not "organizing." It is a project for which Centro would ordinarily have had to hire staff, were it not for the availability of VISTAs.

Four other VISTAs assigned to NCLR are working with city governments on NCLR projects. The towns in which they are working have populations of less than 5,000, no industry or other commercial enterprises, and few employment opportunities. The volunteers work for the city managers, who are lucky to have any other staff at all. Their objective is mainly to provide the staff time and research assistance to improve community housing and industrial and agricultural opportunities. While the objectives are admirable, the work itself does not conform to the VISTA requirements for "organizing" communities.

XIV. NATIONAL ASSOCIATION OF FARMWORKERS ORGANIZATION

A. Background

The National Association of Farmworkers Organization (NAFO) grant was initially approved on April 28, 1978, in the amount of $49,775. The grant was for a pilot project to organize migrant farmworkers. Five VISTAs were funded under the grant, but if the pilot project proved successful, it was planned to award a grant in the fall of 1978 to support an additional 35 VISTA training entries.

In August 1978, NAFO applied for the larger grant and submitted a proposed budget to support a total of 43 volunteers. In late September, the director of VISTA asked for an evaluation of the pilot project so a decision could be made on award of the larger grant. The evaluation was still pending in mid-October. The delay was attributed to the nonavailability of travel money.

NAFO is a coalition of farmworker organizations based in Washington, D.C. It was founded in 1973, "focusing on advocating the civil and labor rights of migrant and seasonal farmworkers." The common base for component organizations is that they govern themselves. The objective is to help them achieve "social independency." The coalition claims a total of some 65 member organizations and affiliation with another 200 "external" groups. For FY 1978, NAFO had a budget of $1.6 million, over 90 percent of which was funded by Community Services Administration grants. The organization has a reported 22 full-time paid staff members, all of whom are located at the Washington, D.C., headquarters office.

The plan for using VISTAs envisions assigning the volunteers to amenable "family" crews in one of the three migrant streams (Western, Eastern, and Southwest-Midwest) for the purpose of organizing "advisory councils" and educating farmworkers to their civil rights and protections under other applicable laws.

The organization of advisory councils will be, in effect, an effort to identify and expand on leadership patterns that already exist and thereby provide the group with a formal structure for developing approaches to alleviate shared problems. In addition, the VISTAs will serve as intermediaries in making farmworkers aware of social services available from local community or governmental organizations and in counseling the group on how to deal with such matters as noncompliance with laws and regulations designed to protect the farmworker.

B. Findings

1. Initial Recruitment Unsuccessful

The recruitment plan provides for both locally recruited and nationally recruited volunteers. Ideally, the VISTAs are to work in pairs, with the locally recruited volunteer providing familiarity with the migrant experience and farmworker issues, and the national recruit providing the perspective and tie-in with the mainstream of American society.

Subsequent to approval of the grant, five potential volunteers were recruited and scheduled for preservice training beginning July 5, 1978. Three were dropped from the program, however, before training began--one because of a death in the family, another because of possible deportation, and the third because of a medical problem. [illegible] these potential recruits were local hires, and the third was a transfer from another VISTA project. Of the remaining two volunteers who completed training, one has since been dropped for exceeding her 30-day emergency leave allowance, and the other is still with the program. The former volunteer was a local recruit, and the VISTA still with the program was recruited nationally.

To fill in the vacant slots, four additional VISTAs were subsequently hired and placed, but not until well after July 1, when the pilot project was supposed to get under way. One of the newly recruited VISTAs, a former Peace Corps volunteer for whom training was excused, began work on August 15, and the other three went into training on August 27 and began to serve on September 7.

2. Experience Limited

Because of recruiting difficulties, experience under the NAFO grant to date is limited to the activities of the one original volunteer still with the program. This nationally recruited VISTA was a recent college graduate with a major in social work and a minor in Spanish, and who saw in the assignment of working with migrants an opportunity to pursue both of these interests.

The volunteer's "training," taken with only one other volunteer, consisted of a day and a half in Washington, D.C., where the ACTION program manager and the NAFO project director explained the VISTA program and advised on the rights, benefits, and restrictions of VISTA service; a weekend attending a "staff retreat" in Chincoteague, Virginia, where the NAFO program and its objectives were discussed; and several days in Westover, Maryland, where the volunteer was introduced to a migrant camp and did some registering for a health care program sponsored by a NAFO affiliate organization in the area.

The volunteer was assigned to work with the Delmarva Ecumenical Council (DEC), a church-based social service organization serving the needs of farmworkers in the tristate area. The VISTA's work with DEC has consisted mainly of trying to identify migrants or other local farmworkers with a potential for leadership and an interest in being trained to serve on the DEC executive board. In identifying the prospects, the VISTA was given a number of leads, including names carried over from last year when DEC tried unsuccessfully to do the same thing.

The interest in placing farmworkers on the DEC executive board goes beyond giving migrants a voice in controlling their own affairs. With enough such representation on the board, DEC would also be eligible for Community Services Administration and other funding available only to farmworker-controlled organizations. DEC currently gets some such funding through intermediary organizations but would much rather have direct access to the money without any discount for administrative expenses.

The VISTA volunteer will continue with her current assignment until later in the year, at which time it is planned that she will have located with a migrant family and will go to Florida for the citrus harvest. The volunteer is supervised by the executive director of DEC and the project director. A toll-free hotline communications system (funded by the Community Services Administration) enables the VISTA (or any farmworker) to call NAFO for information, support, and assistance, and she communicates with the project director on a regular basis via the system.

The VISTA is using an automobile provided by the sponsor and for which the volunteer is paying in installments with her mileage allowance reimbursements. A car is essential for this assignment, but the requirement is not specified in the job description.

3. Many Questions Unanswered

In reviewing the NAFO grant application in February 1978, the Project Review Board appended a number of conditions to its approval which reflected a fundamental concern about the practicability of the concept. ACTION State directors were similarly reserved in their endorsements and raised questions about whether the plan would work. Two State directors disapproved funding the grant, and three Governors (Georgia, Virginia, and Vermont) disapproved the project.

In part, because of these concerns, the grant was funded as a "pilot project" with only five VISTAs to determine if the idea was feasible. The pilot project did not resolve the issues satisfactorily. Among the main concerns still outstanding are the following: acceptance of VISTAs on the part of growers, supervision and support for VISTAs in a highly mobile work situation, housing and food allowances, and potential involvement in labor organizing activity.

The Investigative Staff finds it difficult to conceive of growers being amenable to the idea of VISTA volunteers moving in with migrant families and setting up shop, in effect, on the growers' own property to organize farmworkers, for whatever purpose. To be effective, the VISTA would not only have to keep a low profile but would have to conceal altogether his identity with a federally funded program. As indicated by the executive director of DEC, the sponsor of the first VISTA successfully recruited for the program, the organization "doesn't advertise" its dependence on Federal money. The organization even carries this to the extreme of retaining anonymity when registering a complaint on behalf of farmworkers, lest its interest be misunderstood and perceived as an effort to organize the group. Such a deception, if practiced by VISTAs, would be improper. Taxpayers, growers as well as farmworkers, are entitled to know how their tax dollars are being spent. If VISTA volunteers have to operate sub rosa or conceal their identity as Federal workers in any way, the Investigative Staff believes that such projects should not be funded.

The project narrative provides for supervision by the project director headquartered in Washington, D.C., and by two multistate supervisors, each of whom will be responsible for some 20 VISTAs working in up to 10 different, possibly widespread, and continually changing locations. The multistate supervisors will be stationed in the field, without permanent office but trying to stay as close as possible to the bulk of VISTA volunteers and drawing support from NAFO affiliate organizations. Under the given circumstances, it is questioned whether the VISTAs will be able to get meaningful guidance and, without such supervision, whether they will have the necessary experience and knowledge to do an effective job. Further, despite the best of intentions, it is believed that communications may easily break down, and the problems of accounting for and locating volunteers in case of emergencies or for other reasons may be more serious than anticipated. None of this concern was alleviated by the pilot project.

The food and lodging allowance for VISTA volunteers nationwide averages $219 a month. An allowance of $125 a month is proposed for volunteers assigned to NAFO projects. The lower allowance is based on the assumption that volunteers will live in work camps or other low-cost accommodations provided by the sponsor (for example, with a staff member) and will not need a full housing allowance. As a condition of paying the lesser amount, NAFO has guaranteed payment of actual food and lodging costs in excess of the allowance, without any increase in grant funds. The assumption on which this arrangement is based is highly optimistic. There is no certainty that VISTAs will be allowed to live in work camps or freeload with worker families. While the interests of Government are protected by the NAFO guarantee, the health and welfare of the VISTAs could well be compromised if the plan fails. Testing of this arrangement under the pilot project was limited to the one volunteer with DEC.

While NAFO is not a labor organization, responsible concern has been expressed about the possibility of VISTAs assigned under the grant getting into union organizing activity. As one State director put it: "Union activity will be going on all around them--can they be kept from getting involved."

In recognition of the potential problem, ACTION's Office of General Counsel just recently issued guidelines outlining permissible activities for VISTAs in the context of the NAFO grant. While the guidelines are helpful, the author of the document readily recognizes their limitations. It is unlikely that every actual situation will fit "neatly" into one of the several categories of organizing activity described. Further, if the will to enforce the guidelines is lacking, enough room for judgment is allowed to rationalize a wide range of borderline labor organizing activities involving job-related problems.

NAFO affiliate organizations will play an important role in applying the guidelines. The Investigative Staff understands that at least one of these organizations--La Raza Unida of Columbus, Ohio--provided both financial and other support to the Farm Labor Organizing Committee (FLOC) in that organization's recent effort to disrupt the tomato harvest in Ohio and organize the workers. It is difficult to conceive of a VISTA being part of such a scene without taking sides and getting involved.

As an aside, the relationship between FLOC and ACTION should be noted. FLOC was one of the organizations represented at the roundtable conference at which ACTION's "new directions" were explained to a broad spectrum of social activists. FLOC was represented by a Mr. Baldemar Velasquez, presumably the head of the organization and reportedly the leader of the Ohio union organizing drive. While FLOC is not a local sponsor under the NAFO grant, an organization called the Farm Labor Research Project (FLRP), and headed by Velasquez, did apply for four VISTAs under the Youth Project Foundation national grant. In addition to having the same director, both FLOC and FLRP also had the same mailing address and telephone number.

FLRP would appear to have been nothing more than a front organization for FLOC, which, because of its labor organizing orientation, is ineligible for VISTA funding. The Governor of Ohio viewed the situation similarly and denied the application.

4. Lobbying With Federal Money

NAFO is registered as a lobbying organization under the Federal Lobbying Act. The status of NAFO as a lobbying organization raises some question about the propriety of such a group getting taxpayer money to support its activities.

The question was raised with an ACTION legal authority. He stated that while the issue had never really been directly addressed, there were definitely no statutory prohibitions on the assignment of VISTAs to registered lobbying groups. He further indicated that when similar questions had come up in the past, the agency always limited its opinion to restrictions on VISTA activity rather than address itself to the mission and purposes of the sponsor organization. Illustratively, it was stated there would be no problem with the assignment of volunteers to an organization like the National Association for the Advancement of Colored People, as long as the VISTAs had nothing to do with the lobbying operations of the group.

Even as applied to an organization like the NAACP, the Investigative Staff considers this policy for assignment of VISTAs to a lobbying group questionable. In the case of an organization like NAFO, however, which receives over 90 percent of its funding from Federal sources, it is even less acceptable. While NAFO was initially funded with private foundation money, it is now overwhelmingly dependent on Federal money for its support. The withdrawal of this support would result in major curtailment of the activity of the organization, if not mean its end. It follows that Federal money, in this case, is being used to sustain an organization dedicated (among other objectives) to influencing legislation in behalf of a special interest group.

5. Current Status

On September 25, 1978, the Investigative Staff inquired about the status of the NAFO grant. The program manager advised that NAFO had resubmitted a budget on August 3 and that the grant was currently in the process of being "augmented," that is, being refunded and expanded to support a total of 43 VISTAs. He disclaimed there was ever any intent of making an extension of the grant contingent on the success or failure of the pilot project, as viewed by ACTION. The pilot was not actually a test of the feasibility of the concept but rather a token grant awarded to carry NAFO over until later in the year when the migrants were back in their home-base States and the larger grant would be approved.

Later in the week, the Investigative Staff was given a copy of a memorandum from the director of VISTA, dated September 25, to the ACTION director of evaluation requesting an evaluation of the NAFO project so a decision could be made on the award of a larger grant. The Investigative Staff believes that the request for an evaluation may have resulted from its inquiry about the status of the grant, or there was a breakdown in communications between the director of VISTA and the program manager.

XV. IMPROPER PROCUREMENT PRACTICES

The lack of management discipline noted generally in ACTION affects the procurement process adversely. Inadequate planning of acquisitions, tendency of program technical personnel to dominate personnel engaged in the procurement process, and lack of management support for the Contracts and Grants Management Division contribute to improper procurement practices which conflict with regulatory and statutory requirements and tend to unduly limit competition.

Each year ACTION awards about 60 contracts for training of volunteers and other services, approximately 70 for personal services, and about 2,500 purchase orders. Because of the larger dollar value of training contracts, the Investigative Staff focused its review on such agreements. From a listing provided by ACTION of 36 contracts active as of April 1978, the Investigative Staff selected 7 for examination. Two completed contracts were also reviewed. Peripherally, certain other contracts were reviewed but in lesser detail. The contracts selected for examination ranged in dollar value from about $5,000 to $500,000 and included both competitive and noncompetitive awards.

The review disclosed questionable practices utilized by program (requirements) offices as well as by the Contracts and Grants Management Division.

A. Questionable Practices

1. Absence of Procurement Planning

The express purpose of Order 2620.1 of May 7, 1973, was to establish ACTION procurement and contract planning policy and procedures necessary for proper contracting management and to eliminate or reduce unnecessary crises caused by late requests and last-minute negotiations.

A significant advantage of such a plan, an ACTION official advised the Investigative Staff, is the inclusion of a scheduled period of time, i.e., 90 or 120 days after receipt of a procurement request, to effect contract placement. Such schedule provides opportunity to recognize the administrative lead time necessary to make the purchase and contract award in compliance with pertinent laws and regulations.

The ACTION official advised the Investigative Staff the agency has never had substantive planning and suffers also from lack of harmony between the Headquarters International Operations (IO) and the regions, often with the result that procurements for small uncoordinated requirements are insufficient to warrant proposal effort from prospective offerors. Length of time required by in-country officials to identify requirements was cited by a program official as a major problem.

The official said program approval often takes 4 months or longer, and too little time is allowed for: assurance of adequate description to enable prospective offerors and the Government to understand the effort to be accomplished; preparation of a Determination and Findings (D&F) to authorize use of the negotiated method of procurement; generation and issuance by ACTION of Requests for Proposals (RFP); formulation and submission of contractors' proposals; analysis and evaluation by ACTION of technical and cost proposals received; negotiations; and preparation, review, and execution of contracts.

A specific concern expressed by the ACTION official is that when the requirements people make the procurement time too short, ACTION has often received hastily prepared proposals from only one experienced contractor, or, in some instances, from a few experienced contractors, and tends to favor existing contractors. Thus, ACTION has received less than the best prepared proposal and has unduly limited the competition.

The official advised the Investigative Staff the Contracts and Grants Management Division has been criticized by upper management within ACTION for lack of responsiveness because of insistence that 90 to 120 days represents a reasonable time for processing a procurement to contract award in compliance with laws and regulations and sound business practices. The official said the division has suggested reference to other agencies will support that 90 to 120 days from receipt of a requirement to contract placement is comparable to time required by procurement offices in other agencies to effect contract award. Although the 90 to 120 days is not an excessive time period to effect a procurement in compliance with applicable laws, regulations, and sound business practices, the official said the Assistant Director, Administration and Finance, told the division to be responsive to the program offices.

One region, in a recent attempt to improve the planning for procurements, advised the Contracts and Grants Management Division of anticipated requirements, even going so far as to combine a few requirements which could make a solicitation more attractive to potential offerors. One benefit of the information is to advise procurement personnel the number of contracts to be placed for the region during the fiscal year will increase dramatically. However, the information provided was insufficient for procurement planning, and several of the items had already been placed under contract.

Illustrative of the delay encountered in obtaining planning information from the overseas Peace Corps offices is the fact that the pertinent information was requested from the in-country office by the region well over a year ago, and only recently has the limited information been made available to procurement personnel.

The Advance Procurement Planning directed by Order 2620.1 is virtually nonexistent, and administrative lead time and contract delivery requirements are often unrealistically compressed. The insufficient lead time, plus lack of management support for the procurement process and the need of the Contracts and Grants Management Division to be "responsive," contributes to questionable procurement practices.

Early identification of requirements and compliance with the Advance Procurement Planning regulation could help to overcome deficiencies in the ACTION procurement process; however, the Office of Grants and Contracts Management has not insisted upon program office adherence to Order 2620.1, and it seems unlikely it would be successful if it attempted to do so under ACTION's present management structure.

2. Violation of Statutes

Many instances were reflected in the contract files where, by commission or omission, ACTION risked violation of or actually violated pertinent statutes authorizing procurement by negotiation, requiring synopsis of current procurements, and obtaining certificates of cost or pricing data.

a. Determination and Findings Authorizing Negotiation of Contracts

Although formally advertised procurement (the sealed bid) method is preferred by the Government, the negotiated method of contracting may be used in exceptions as described in 41 USC 252(c). When the circumstances of a procurement warrant use of the negotiated contracting method, findings supporting the need to negotiate must be set forth and the determination made (D&F) that the procurement may be negotiated in lieu of formally advertised.

Customarily, execution of a D&F authorizing use of the negotiated method of procurement occurs before commencement of negotiations; there would seem to be no authority to have held negotiations without such prior authorization. In fact, procurement regulations of some agencies of the Government require execution of the D&F even before an RFP initiating the negotiation process may be issued.

With some consistency, however, ACTION contracts reviewed authorized use of the negotiated method of procurement only after negotiations had been under way or were completed. Commencement of negotiations ranged from a few days to several months prior to execution of the D&F.

As illustrations of the poor practice, negotiations for one procurement commenced in August 1977, but the D&F authorizing the negotiations was not signed until February 1978; and in another acquisition, an RFP was issued in January, and the D&F was not executed until the following June.

On some occasions the D&F and the contract were executed the same day. Concurrent signings of the documents pose serious risk of noncompliance with the statute.

b. Synopsis of Procurements

Although it is a statutory requirement to synopsize procurements in the Department of Commerce Business Daily, exception is permitted when less than 15 days are allowed for proposal submission.

An ACTION official advised the Investigative Staff occasional exception to the 15-day period is understandable and acceptable, but time periods should not be so compressed as to preclude adherence to synopsis by consistently allowing less than 15 days for proposal submission in order to accommodate requirements stated to be urgent.

It is Government practice to synopsize contract awards as well as RFPs, and such publication is one form of encouragement of subcontractor opportunity. However, it is not ACTION practice to synopsize sole-source procurements. Nonsynopsis of sole-source procurements as a customary practice raises question as to concealment of such awards from public awareness and conflicts with the statutory requirement to synopsize procurements.

c. Certificate of Current Cost or Pricing Data

Although the contracting officer is required by the Truth in Negotiation law (PL 87-653) to obtain a Certificate of Current Cost or Pricing Data on each contractual action exceeding $100,000, ACTION has not obtained the certificate.

Contracts for which the required certificate was not obtained include awards of over $101,000, $274,000, and $495,000.

ACTION officials do not appear to clearly understand the requirement for the certificate: One official advised the Investigative Staff ACTION was not required to obtain the certificate; another expressed the opinion it is obtained by the Government auditor; and a third official said it had formerly been obtained as a matter of course, but a previous director of the Contracts and Grants Management Division had discontinued the practice of obtaining the certificate, and the acquisition of the certificate had not been renewed. Thus, ACTION consistently violated the pertinent statute. The third official said that as a result of the Investigative Staff inquiry, an instruction has been issued to obtain the certificate.

3. Imprudent Activities of Program Officials

Questionable activities of program officials include encouraging contractors to commence work without a contract, developing statements of work jointly with contractors, and obtaining budgets (estimated costs) from contractors for use as in-house estimates. The actions expose the contractor to undue risk, transfer Government responsibility to the contractor, and raise questions of legality.

a. "Authorization" of "Precontract Costs"

A contract for advertising services entered into in December 1977 is illustrative of the type of problems that can arise when program personnel exceed their authority and improperly "authorize" commencement of work. The contract contained no mention of costs incurred prior to the date of the contract; however, about a month after receipt of the contract, the contractor requested the agreement be modified in order to allow payment of precontract costs of $4,000 incurred between October 4, 1977, and the signing of the contract in December.

The responsible program office then advised the contracting officer by memorandum of February 16, 1978, all the activities covered by the precontract costs were approved at the time the actions were taken in order to maintain the timetable for early spring TV ad campaigns and were within the scope of the contract.

Program office "authorization" for the contractor to incur cost was ill-advised. Only a contracting officer can bind the Government, and a program office official had even been admonished by the contracting officer on October 13, 1977, to refrain from authorizing the contractor to proceed.

The "precontract" or "anticipatory" costs claimed seem more properly a claim against the Government than payable as anticipatory costs because (1) costs claimed do not meet the criteria of the Federal Procurement Regulation for precontract costs and (2) the costs were not authorized by a contracting officer.

An ACTION official said, however, if the amendment were not processed for payment as anticipatory costs, the contractor would have recourse only to obtain payment from the responsible program official personally. Therefore, because the effort was considered contract-related and the agency realized benefit therefrom, the amendment providing for payment was executed.

The potential harm to the contractor from proceeding without contractual coverage in reliance upon unauthorized "approval" emphasizes the risk attendant to program officials exceeding their authority.

b. Imprudent, Premature Discussions

It is not uncommon for program officials of ACTION to hold discussions with contractors in order to jointly develop statements of work and to derive estimated costs of procurements, both questionable practices.

Development of the requirement description is a responsibility of the program office; therefore, joint development of the statement of work before proposal submission tends to transfer program office responsibility to the contractor and raises doubt as to the competence of the program office personnel. In some cases, such discussions are conducted even though an authorized official has not yet made a determination the procurement is to be made on a sole-source basis.

In one example noted, the procurement request, the contractor's proposal, and the contract are all dated September 30, 1977, in a seemingly hasty endeavor to spend the money before the expiration of the fiscal year. It appears obvious the program office had prior discussions of the work statement and the estimated cost with the contractor. It is highly unlikely the contractor could have in one day generated a proposal geared toward the design of alternative service-learning models for the University Year for Action (UYA) program and also proposed the same amount estimated by ACTION, $99,055, unless the program office personnel had previously discussed the requirement with the contractor. Joint development of a work statement tends to "lock-in" the source with whom such discussions have been held and can be unfair to other contractors.

The sole-source justification for the procurement cited qualifications of the contractor, and while it is not intended to detract from the selected contractor, it is highly doubtful that it is correct to conclude that no other organization could fulfill the requirement.

In another instance, a sole-source procurement in the amount of $5,000 was awarded September 30, 1977, for a study of factors which may inhibit low-income ethnic communities from participating in volunteer projects.

The procurement request for the performance of the study was prepared September 20, 1977, in the amount of $5,000, and by letter of September 22 the proposed contractor stated it submitted the statement of work as jointly developed by the contractor and ACTION.

The rationale for the procurement being noncompetitive states the contractor is uniquely qualified because of a listed combination of factors which apply to no other single organization or group, and the set of relationships, contacts, experience, credibility, and staff is vital to the successful accomplishment of the work described in the contract.

Although the combination of factors may be unique to the single organization, it is unlikely the group is the only entity that could fulfill the requirement. However, again, joint development of a work statement as opposed to a program office-prepared description of the requirement is nothing more than selection of the source. The contractor's proposal in the same dollar amount estimated in-house for the procurement does not disturb the sole-source arrangement and again suggests the amount of the planned procurement to be jointly derived before proposal submission.

Despite the apparent collaboration on the statement of work and the attributes of the contractor cited in the sole-source justification, early performance under the contract was unsatisfactory. ACTION comments indicate the draft report delivered under the contract to be very disappointing. Documentation also states: "The draft report, frankly, does not comply with the specifications in the contract, does not focus on the issues spelled out in the Statement of Work, and does not reflect the type of study we agreed on."

4. Questionable Use of Minority Firm 8(a) Awards

ACTION made an award of a contract for advertising coverage of a large endeavor--the Syracuse Youth Project--to a minority firm on the pretext of accommodating the Government's minority businesses' affirmative action program. In reality, however, the award was made to the minority firm in order to obtain the services of a specific individual, a consultant to that company desired by ACTION but for whom, ACTION officials said, award without competition was not justified.

The contract placement not only circumvented Government requirement for competitive procurement but placed unfair burden on the minority firm because: (a) the contract contained an unrealistic delivery schedule which, according to contract file documentation, did not allow for adequate quality measures; (b) the community of Syracuse and ACTION headquarters did not agree in timely fashion on advertising implementations; (c) payment to the contractor was not made for an extensive time period; and (d) the 90-day contract performance period was extended for several months with no increase in cost allowed the minority contractor. Thus, the device of awarding a contract to a minority firm to secure the services of a specific individual not otherwise available without competition could have worked to the detriment of the minority firm.

5. Nonrecovery of Costs for Canceled Training Courses

In June 1977, ACTION awarded a contract in the estimated amount of $495,746 to a contractor who was to plan and implement preservice training for a minimum of 190 trainees in Brazil in the fall of 1977 through July 31, 1978. The contractor was also to be responsible for providing 1 week of inservice training in the third or fourth month of each Peace Corps volunteer's service, and it was estimated there would be approximately 100 volunteer-weeks of inservice training commencing January 16, 1978, with distribution of the training as determined by the project manager.

Difficulty was encountered early in the contract period when the Brazilian Government delayed issuance of visas to the trainees. When it became uncertain when the trainees would be granted the necessary visas to enter Brazil, the contractor agreed to provide Portuguese language instruction to approximately 88 trainees in Miami, Florida, for a period up to 2 weeks, with classes to begin August 8, 1977.

ACTION officials attributed the delay in issuance of visas to a form of harassment by the Brazilian Government. One official attributed the delay to statements made by the President of the United States with respect to human rights, and another official expressed the opinion the delay was encountered because of statements by the President of the United States concerning contemplated acquisition by Brazil of a nuclear reactor. For whatever reason, the time slippage was also caused to some degree because Brazil had not yet approved the planned programs for which the trainees were being schooled.

In September 1977 the planned training cycles for the courses to be given were revised to reflect the delay encountered in Miami; the number of training sites was changed from two to three; the number of inservice training weeks was increased from 100 to 300; and the estimated contract amount was increased to $592,514.

Ultimately, the fall, winter, and spring training courses were canceled, and the number of inservice weeks was reduced from 300 to 225; despite the eliminations, however, the estimated contract amount was never reduced.

During the fluctuation of the scheduled training cycles the contracting officer, on November 28, 1977, advised the program office, in view of the apparent heavy additional costs resulting from the cancellation of the two cycles, the agency would be remiss if it did not attempt to reduce the unnecessary expenditure of tax dollars and suggested the reasonable staffing needs for inservice training and materials development should be examined and some trainees should probably be let go.

Another ACTION official advised the Investigative Staff the program office did not request the contracting officer to partially terminate the contract, because the program office was optimistic that the scheduled training courses would be accomplished. Thus, the contracting officer was without a basis to partially terminate the contract or revise the delivery schedule, even though the factual knowledge of the circumstances was known to the program people. However, by memorandum of February 7, 1978, the program office officially notified the contracting officer the fall, winter, and spring preservice training programs were canceled; and by contract amendment dated April 5, 1978, the fall, winter, and spring training cycles were finally deleted from the contract, but the estimated cost of the contract was not reduced. Instead, the training of 28 preservice trainees "rolled over" into an ensuing option period, and the time frame of the contract was extended until November 15, 1978.

After the gyrations of the program and cancellation of 3 courses, the Peace Corps will wind up with: 79 preservice trainees during the entire contract period in lieu of 190 during the shorter time frame of the initial contract; 225 weeks of inservice training in lieu of 300; and 2 training courses out of the 5 placed on contract. As termed by an ACTION official, the contract was very costly. Precise ascertainment of waste under the contract is difficult, because lost time to teach trainees was offset to some degree by teaching inservice volunteers. The degree of magnitude of wasted expenditure can be appreciated in gross terms when it is realized the contract amount averages a cost per preservice trainee of about $5,400, according to one ACTION official.

6. Questionable Evaluation of Competitive Procurements

Even when numerous sources are solicited for a procurement, the ACTION methods of proposal solicitation, evaluation, and scoring render the integrity of the competition vulnerable to challenge and can make the source selection suspect.

a. Importance of the Statement of Work

It is the established Government policy to buy that which meets its requirement and not necessarily the best technical proposal. Therefore, it is important that the statement of work (SOW) describe the requirement adequately so that offerors can propose upon a common basis, meeting the Government's requirement.

An ACTION official advised the Investigative Staff, however, that many procurements in ACTION are not well thought through and asked, "Without a good SOW, how does one bid?"

b. Importance of the RFP

The RFP sets the ground rules for the procurement, and, in addition to a work statement which sets forth the required effort, the RFP should contain evaluation criteria adequate to inform prospective offerors of factors to be considered in the evaluation, their relative importance, and a description of what constitutes acceptability, thus ensuring offerors they can be evaluated upon a common basis, meeting the Government's requirement.

Often ACTION RFPs provide inadequate information to ensure contractors can propose and evaluators can evaluate on a common basis, meeting the Government's requirement. Thus there is tendency to evaluate proposals against each other rather than against the Government's requirement.

c. Best Technical Proposal Versus Meeting the Government's Requirement

ACTION officials said although the program offices understand the Government is not mandated to buy the best technical proposal but to buy that which meets the Government's requirement, program officials usually want to select the contractor with the best technical proposal.

An official said if the region felt a proposal were superior but the contracts office was leaning to another company to save $10,000, personnel in the region feel quality outweighs the price difference. They consider whether they want to influence the contract office by "putting pressure on"; i.e., going outside the Technical Review Panel level to attempt to insist the contract office award to the higher cost proposer for the superior proposal. In general, the policy of governmental procurement includes the desire to buy that which meets its requirement and this is not necessarily always the best technical proposal.

d. Potential for Manipulation

ACTION officials expressed concern about how the technical evaluators of proposals can manipulate or "back into" selection of a preferred source but said detection is difficult. The potential for such occurrence is apparent, because ACTION evaluations are subjective to an unusually high degree, and the relative importance of many aspects of the requirement is established only after opening of proposals, if at all.

(1) Establishment of Broad Categories

ACTION consistently announces and uses a potential maximum technical score of 80 points divided among 6 broad categories according to relative importance of each topic as determined before offers are solicited. This generally conforms to a customarily used procedure. However, within the broad topics, ACTION fails to use other commonly employed evaluation features either to inform offerors or to assure objectivity of evaluation and scoring.

(2) No Base Line for Acceptability

A flaw in the ACTION approach to source selection is that the RFP and the preproposal documentation establishing the evaluation and scoring techniques often lack written description of what constitutes acceptability. Such a base line should be described in the RFP and must certainly be established before proposals are opened to insure an objective evaluation. The prior determination of the base line for acceptability is imperative to demonstrate that what constitutes acceptability was determined in relation to the Government's requirement, and further, that it was not influenced or "tailored" to favor the offering of a preferred supplier(s) after proposals were opened and read by technical evaluators.

(3) No Indicator of Relative Importance of Subcategories

The absence of written documentation of scoring, weighting, or other indicator of the relative importance of elements within the six or so broad areas identified and assigned potential scores is a major weakness of the ACTION approach, which makes ACTION proposal evaluations particularly subjective.

Customarily, the relative importance of such subcategories is indicated, and here again such values must be established before the opening of proposals and in relation to the requirement to be performed. The prior determination helps to preserve the integrity of the evaluation and has an attendant benefit of encouraging evaluators to better "think through" the description of the requirement before proposals are issued.

Although ACTION officials acknowledged relative importance of the elements within the broad categories varies, they also said subcategories are not scored or weighted. Thus, within the broad categories selected for evaluation and scoring, the ACTION method becomes unduly subjective, and the wide flexibility inherent to stipulating the relative importance of only broad criteria creates an avenue conducive to manipulation.

A panel evaluator who stated the subcategories were not of equal importance said this aspect of evaluation could be worked on and probably should be tightened up and weights assigned. The official commented that with no values assigned within the category, it is not clear whether the subcategories are equal, and there should be weights (or other means of showing relative importance).

The official advised that the matter of relative importance of elements of the categories is being worked on and will probably be discussed in a regional meeting within the next few months. He anticipates an appropriate scoring arrangement will be devised for procurements subsequent to that time. The official also expressed the opinion that scoring or weighting of subcategories would make the technical evaluator's job easier.

e. Examples of Subjectivity of Evaluations

The deficiencies of the ACTION method of proposal solicitation, evaluation, and scoring and the gross subjectivity they foster are demonstrable.

An RFP stated the contractor is urged to include as many ex-Peace Corps volunteers on his staff as he can recruit and whose other qualifications warrant employment but gave no specific indication of the minimum number of former volunteers believed by ACTION to be acceptable to fulfill the performance requirement.

Even though ex-Peace Corps volunteers and Peace Corps experience were unmentioned in the evaluation criteria, one proposal was evaluated as having weakness in five of six categories because of use of too few ex-Peace Corps volunteers or lack of Peace Corps experience.

The same RFP required the contractor to provide the necessary facilities to carry out the required training and to provide trainees with housing and three meals a day, 7 days a week, and transportation to and from the training site if necessary, 7 days a week. Neither the RFP nor the evaluation criteria addressed the type of housing nor size of classrooms or other pertinent details. During the evaluation, weaknesses attributed to one proposal included use of a motel for classes and the motel's lack of athletic facilities. Housing other than a motel was not previously indicated to be the base line for acceptability, and a requirement for athletic facilities was not even mentioned.

Although the professionalism of a subcontractor was recognized as a strength in an offeror's proposal, the proposed use of the subcontractor was also termed a weakness of the proposal, because the company "* * * running so many programs and in such demand might not be able to give their all to this program." One of the technical evaluators in expressing concern for the proposed subcontract speculated: "Has * * * become so good that their fine quality has begun to fall behind its competition because of conceit? The score is lowered because of concern for quality of * * * given their reputation and the probable demand on them for staff." However, there is no indication that it was established the company lacked either the capability or the capacity to devote necessary resources to the effort.

The RFP stated: "In and out of classes, trainees and instructors should be encouraged to speak French. All efforts should be made to create a Francophone environment and to organize cultural simulations such as African market, African meals, etc., in coordination with the cross-cultural component."

Only after opening of proposals, it was judged that four was an insufficient number of staff members to be living with the trainees, and it was concluded a majority of language staff must live with trainees if there is to be assurance of maintaining a Francophone environment and if there is to be adequate out-of-class staff-trainee interaction.

Although the evaluator comments discussed above all relate to a single procurement for which the integrity of the evaluation was challenged within ACTION, they are illustrative of the vulnerability of an evaluation system which waits until after opening of proposals to determine what constitutes acceptability and which fails to identify relative importance of many aspects upon which technical evaluation and source selection are based.

In the evaluation discussed above, Order No. 2620.2 was violated as follows:

Standards of Confidentiality. "The only persons directly connected with the procurement process other than the Panel members are the contract negotiator or the Contracting Officer. All other personnel are excluded regardless of rank or position." The stipulation was not observed, and the confidentiality of proposals was breached when the training officer for the region, who was not one of the three panel members, prepared a composite of scores and comments on proposals and transmitted them by memorandum of December 14, 1977, to the negotiator, "Subject: Report of Proposal Review Panel for French/Secondary Health Stateside Training Program; RFP #78-2." The training officer acknowledged error and advised the Investigative Staff he had been acting as a secretary for the panel. The role assumed by the official, however, tended to remove the requiring office from a minority position as stipulated by Order 2620.2.

Under date of December 19, 1977, the training officer submitted another memorandum, "Subject: Questions Posed to Bidders for RFP #78-2."

By memorandum of December 28, 1977, the contract negotiator advised the training officer: "In accordance with ACTION order 2620.2, Paragraph 3, only a Panel Member, acting as chairman, can make recommendations to the Negotiator. In order not to perpetuate an error already made please have a member of the Panel review the corrective action taken by each of the four bidders and make a recommendation over his signature."

Despite the remonstrance from the contract negotiator concerning the error, the training officer, by memorandum of December 29, 1977, perpetuated the error by forwarding comments of two of the three panel members, not under signature of a panel chairman but by memorandum initialed-off by the training officer.

On January 3, 1978, the training officer, in his role as training officer for the region and contract manager for the eventual contract, sent the contracting officer still another memorandum voicing objections to preparation of an award to a contractor, the Technical Review Panel members still considered to have submitted an unacceptable proposal.

Apparently as a result of the training officer's objections, the planned award was stopped, and award was made at an increase of over $15,000 to a contractor who had submitted one of three proposals considered by the technical panel to be acceptable.

The contract negotiator, in a memorandum of January 3, 1978, set forth a refutation of principal points for which the company now denied the contract was considered by technical evaluators to be unacceptable. Although proceeding with award as directed, the negotiator took exception and expressed the opinion "* * * that there has not been an objective consideration of the * * * proposal and I would find it very difficult to disqualify them on the basis of all the data presented."

The contract file notes also: "* * * this appeared to be a lost excellent opportunity to increase the involvement of minority business enterprises in Peace Corps procurement; however, in a cost-type contract, maximum consideration must be given to technical considerations."

The contract as ultimately awarded would appear to satisfy the ACTION predilection for ex-Peace Corps volunteers and companies with Peace Corps experience, because the company receiving the award has a history of satisfactory performance of Peace Corps contracts. ACTION could, it seems, also have been confident of the company's understanding of Peace Corps philosophy, because the president of the company at the time of award was a former Deputy Director of Peace Corps International Operations.

Ironically, the company which was denied award in the referenced procurement because of a naivete with relation to the Peace Corps was, within the same time frame, awarded a larger dollar contract to train Peace Corps volunteers. ACTION officials advised the Investigative Staff the company has performed well under the training contract, and performance has not suffered because of lack of Peace Corps experience. Review of the two procurements enforces observation that ACTION evaluators often judge proposals in relation to each other rather than against the Government's minimum requirement.

In view of the weaknesses of its competitive procurement system, ACTION cannot demonstrate that offerors competed and were evaluated on a common basis and that evaluators used the same basis to reach their conclusions.

The intention of an ACTION program official to refine the evaluation and scoring system is indicative of a step in the right direction; however, it is the responsibility of the contracting officer to assure the adequacy and integrity of competition. Therefore, the Contracts and Grants Management Division should assume the initiative in strengthening the competitive process.

7. Contract Closeout Problems

ACTION has a chronic backlog of contracts completed but not closed out. After an effort of several years which reduced the backlog from more than 600 to something more than 300, the completed but unclosed contract volume has returned to the 1971 level of over 600.

Personal service contracts are relatively small dollar amounts but constitute a severe administration problem to close them.

Unclosed contracts to provide training are a concern, because they often contain unexpended funds which can be deobligated. On just two contracts completed in 1972 and 1973, for example, ACTION has recently requested refund from contractors of about $100,000 in overpayments.

During FY 1978, the efforts of only a retiree employed part time and paid $13,000 per year recovered about $430,000 from contract closeouts. The individual's services were terminated at the end of the fiscal year, however. The Personnel Office considered the retiree's part-time employment over a 3-year period to be indicative of potential need for a full-time employee.

ACTION management advised the Investigative Staff of a review of the Contracts and Grants Management Division planned to take place in a few months. If the review reveals present use of personnel to be less than optimum, personnel released from other duties would be asigned to focus on contract closeout. Management also said two additional workers had been recently authorized for the division to work on the backlog. At the time of the Investigative Staff's review, however, no one was assigned to work on contract closeout, and boxes of such contracts await attention.

B. Dominance of Program Technical Personnel

Program Office personnel tend to dominate acquisition proceedings, and trained, experienced procurement personnel must often bow to the desires of requisitioners who do not have expertise in procurement, often with harmful results to the procurement process.

Often, program officials appear to either not understand or fail to accept that certain activities of the acquisition process are beyond their purview and under laws, regulations, and sound business practices fall within the responsibilities of the contracting officer.

A procurement orientation course for technical personnel could help program personnel to better understand the importance of propriety in dealing with contractors, the necessity for adherence to laws and regulations governing procurement, and the need for improved business practices.

C. Need to Reevaluate the Placement of Procurement Within the Organization

The Contracts and Grants Management Division has had little contact with the ACTION Director, who bears ultimate responsibility for ACTION matters. The success of achieving an improved and adequate procurement process can best be realized if the ACTION Director actively supports the Contracts and Grants Management Division in pursuit of such goal.

The degree of dominance of Program Office technical personnel over personnel engaged in the procurement process and lack of management support for the procurement process noted in ACTION suggest the need to reevaluate the place of procurement in the agency to insure that the business aspects of the procurement and the multiple national objectives to be incorporated in procurement actions receive appropriate consideration at all levels in the organization. As stated by a Congressional Commission on Government Procurement in 1972:

> "* * * If the function is to operate effectively and on a parity with other functional disciplines with which it must interface, it must be placed at a level in the organization which affords a high degree of visibility to the agency head."

The Director of ACTION lacks the necessary visibility, and it is unlikely he will be adequately informed under the present management structure.

XVI. FINANCIAL MANAGEMENT CONTROLS

The creation of ACTION brought together a variety of accounting systems, none of which appeared compatible with one another. A feasibility study and subsequent award of a contract to determine and develop an all-encompassing system suitable to management were initiated and accomplished. The resulting system, while still imperfect, has been approved in design by the General Accounting Office.

The lack of management attention to ACTION's budget procedures caused approximately $417,000 to be obligated without Congressional approval. These overobligations came during the first quarter of FY 1978 and occurred during periods when ACTION was without appropriation or continuing resolution authority. In addition, an overobligation, which occurred in early CY 1977, was discovered by ACTION, and the offending employee reprimanded. However, the violation was not reported to the Office of Management and Budget or to the Congress, as required by statute.

Certain ACTION officials traveling overseas have received full allowable per diem reimbursement even though they were not entitled to it. These personnel had stayed in Government-furnished quarters or the private homes of agency personnel but did not decrease their claim for reimbursement as required by agency regulations. This condition appears to be widespread policy, but the extent to which it is happening is difficult to determine since corroborative attestation for additional abuses was not available.

The Investigative Staff has further determined that ACTION has indirectly reimbursed other personnel who traveled to foreign countries on other than official business. Although reimbursement was not authorized or sought, the two individuals involved were certified on time and attendance reports as having been present at their regular place of duty while they were away on the trips.

A. Weaknesses of Accounting Division

When ACTION was created, a variety of noncompatible accounting systems were brought together. Management soon found the various systems to be all but unworkable because data was often inaccurate and in several different formats.

Due to the many problems ACTION experienced in attempting to reconcile cost data from the different accounting systems, a decision was made in late 1973 to develop a single system suitable to the needs of management and the various programs. In August 1974, a contract was awarded to one of the major accounting firms to study the feasibility of combining the several existing systems into a single all-encompassing system. The study determined that it could be done. Shortly thereafter, a contract was awarded to this firm to design and install the new accounting system. By the time ACTION finished amending the contract, the final cost approached $500,000. Under the terms of the contract, ACTION was to run "dual" systems through June 30, 1975, when the changeover to the new combined system would take effect. At that date, the contractor and ACTION were to have purged all errors from the file. However, according to the Deputy Director of the Accounting Division, it took his staff some 18 months after the close of the contract to completely purge 60,000 errors from the file. According to the present Assistant Director for Administration and Finance, it was only recently (this past summer) that any degree of confidence could be placed in the monthly obligation reports.

On August 24, 1978, the Comptroller General wrote to the Director of ACTION granting his approval of the design. ACTION now has 2 years to convince representatives of the GAO that the system is functioning effectively and is in accordance with approved design.

As a test of the new accounting system, the Investigative Staff requested a listing of all outstanding contracts and purchase orders. The computer printout furnished by ACTION had the following deficiencies: the listing did not clearly identify the vendor; the listing did not identify the obligations and expenses shown by fiscal year; the document number did not match the vendor number assigned to the contract by the Accounting Division; and the expenses incurred plus the unobligated balance figures often did not add up to the total commitment listed.

B. Unauthorized Obligations of Funds

One test of an agency's ability to maintain stringent control over its expenditures occurs during those occasional brief periods when that agency is without budget (obligational) authority. During the first quarter of FY 1978, ACTION was required to operate for a number of days without either an appropriation or a continuing resolution to support its domestic operations. These days were from October 1, 1977, through October 12, 1977; November 1, 1977, through November 8, 1977; and December 1, 1977, through December 8, 1977. During the October 1, 1977, through October 12, 1977, period, ACTION was also without obligational authority to support its Peace Corps activities.

The Investigative Staff requested any obligating documents originating during these periods. Among the obligating documents issued were contracts and grants--agencywide; interagency agreements and job orders for headquarters; overseas leases; agencywide personnel actions, purchase orders, and travel orders; and printing orders for headquarters. Because of the computer system deficiencies, as well as informational retrieval problems, ACTION was unable to produce many documents, and these findings are, accordingly, not all encompassing.

Paragraph (b) of Section 3679, Revised Statutes (31 USC 665), defines a violation as follows:

> "Any case where an officer or employee of the United States has involved the Government in a contract or other obligation for the payment of money for any purpose, unless such contract or obligation is authorized by law."

Based upon an analysis of the documents furnished to the Investigative Staff, the following obligations were incurred without obligational authority, in apparent violation of the above-cited authority.

-- Contracts. A contract in the amount of $75,000 was executed by ACTION, Washington, D.C., on November 2, 1977, with Vendor No. 78-043-1006. At least 12 Peace Corps Country Directors executed contracts and leases during the October 1, 1977 - October 12, 1977, period.

-- Grants. Five regional offices awarded grants in the total amount of $234,436 during the early November and December periods.

-- Interagency Agreements. ACTION executed a reimbursement to the State Department under the Foreign Affairs Administrative Support System agreement, in an unknown amount, during the October period.

-- New Hires. Disregarding its responsibility to limit the Government's liability during the periods in question, ACTION hired 128 new employees. While acknowledging that "some" people were hired during the periods under review, the General Counsel for ACTION stated that each individual "brought on board" received a memorandum from the Director of Personnel advising of the lack of an appropriation and the possibility of their not being paid in a "timely" manner. The Investigative Staff refutes this implication regarding the acceptance of volunteer (staff) services. On this subject, the Attorney General of the United States wrote: "* * * the evil at which Congress is aiming was not appointment or employment for authorized services without compensation but the acceptance of unauthorized services not intended to be gratuitous therefore likely to afford a basis for a future claim upon Congress." (1913) 30 OAG 51.

-- Purchase Orders. Thirty-seven purchase orders in the total amount of some $24,000 were obligated during the periods under review. ACTION uses the standard form 147 as prescribed by the General Services Administration when executing a purchase order. An ACTION representative contended that the date at the top of the form, block number 1, titled "Date of Order," was not the date of the order, but the date the order was typed. He went on to state that a number of orders were typed but were not signed by the contracting officer until such time as ACTION had budget (obligational) authority. The Investigative Staff has difficulty accepting this explanation. In the absence of any other date on the document, the legal and binding date of recordation would reasonably appear to be the date found in the block 1 [1. Date of Order].

-- Travel. Travel obligations in the total amount of some $84,000 were incurred during the periods in question. Most of the travel involved volunteer staging which would have been difficult to postpone without seriously disrupting operations. Staff travel during these periods cannot be similarly justified.

C. Failure to Report a Known Violation of the Anti-Deficiency Statute (31 USC 665)

During an audit of Peace Corps operations in El Salvador in the fall of 1977, auditors from the former Inspector General Division found that the Acting Country Director had, on three separate occasions, violated the anti-deficiency statute. The violations involved the execution of three contracts in September 1977 citing a nonexistent FY 1978 appropriation.

In March 1978, ACTION's General Counsel confirmed the violation of the statute and in his opinion stated:

> "It should be noted that pursuant to 31 U.S.C. S. 665 (i), any officer or employee who commits a violation of the Anti-Deficiency Act 'shall be subjected to appropriate administrative discipline, including, when circumstances warrant, suspension from duty without pay or removal from office....' Also, a 'knowing and willful' violation shall upon conviction subject the officer or employee to a fine of not more than $5,000 and/or imprisonment for not more than 2 years. The Director of Action 'shall immediately report (such violations) to the President, through the Director of the

> Office of Management and Budget, and to the Congress all pertinent facts together with a statement of the action taken thereon.'"

A letter of reprimand was subsequently placed in the employee's personnel folder, but the violation was never reported to OMB or the Congress as required by the statute. When asked why the Director of ACTION had failed to report the violations, his executive officer replied: "We just blew it!"

D. Questionable Travel Practices

1. Improper Vouchers Submitted for Overseas Travel

The Investigative Staff interviewed three former Peace Corps Country Directors. Two of the three informed the Investigative Staff that, during their recent tour of service in Africa, a number of ACTION officials, while traveling in an official capacity, stayed with them in their homes. These former Peace Corps Country Directors were living in U.S. Government-owned or -leased housing at the time.

When traveling abroad, ACTION employees are governed by the Uniform State/AID/USIA Foreign Service Travel Regulations. Peace Corps instructions implementing these regulations provide, in part, as follows:

> "Travelers must deduct the following amounts from their per diem rates for each day's meals or lodging furnished without charge by U.S. Government agencies or installations (this is an exception to U&R 154.2):
>
> | | |
> |---|---|
> | Breakfast | 5 percent |
> | Lunch | 10 percent |
> | Dinner | 20 percent |
> | Lodging | 50 percent" |

The Investigative Staff examined the vouchers of 10 ACTION officials named by the former country directors and found they had claimed full per diem on their vouchers for the periods in question. It is likely that violations were much more widespread, but, because of time constraints, the Investigative Staff was unable to determine the full extent of noncompliance with the regulations. Apart from citing past practice, ACTION officials were unable to provide any satisfactory explanation as to why the regulations have been ignored. In the meanwhile, official travel in Peace Corps countries will continue to offer ACTION employees the potential for realizing windfall benefits, and the practice should be discontinued immediately.

2. "Back-Door Financing" of Staff Travel

The Investigative Staff was informed that ACTION had financed a visit to Cuba by an unidentified staff member of the Office of Policy and Planning (OPP). The Investigative Staff examined the travel files on all members of the professional staff of that office and, after that search proved fruitless, examined all Procurement Requests (PRs) originating from OPP for the past 2 years. This search revealed a PR and related Purchase Order made out to the Education Staff Seminar Program of George Washington University for $200.

By the time the Purchase Order reached the Education Staff Seminar, they had closed out their bank account established for the trip. They, therefore, returned the Purchase Order to ACTION.

The initial problem the Investigative Staff discovered from its review of the Purchase Order file was that the PR was forwarded to the Grants and Contracts Division after the OPP staff member had left for Cuba. The Director of the Grants/Contracts Division initially refused to honor the PR. After the PR was returned to OPP, a justification was prepared by the former Assistant Director of that office and processed under protest by the Grants/Contracts Division on March 2, 1978. The purpose of the procurement was to partially reimburse the employee for his travel expenses. The total cost of the trip per participant was $600. However, announcements from the Education Staff Seminar point out that the cost of their overseas study missions are tax deductible.

Agreement Between ACTION and Staff Member Never Formally Consummated

The Investigative Staff interviewed the OPP staff member. He stated that he had planned on taking leave for some time to participate in this particular study mission. After discussing his reasons for making the trip with his supervisors he agreed to write a trip report on the several youth service projects he hoped to visit while in Cuba. This in turn led to a discussion and subsequent correspondence on how the agency might defray part of his expenses. However, no firm decision had been reached as of December 9, 1977, when the individual departed for Cuba. The trip took place during the period December 9, 1977, to December 18, 1977.

When asked if he had submitted a request for annual leave for this period, the individual answered that he had not. In addition, when asked if he was not aware that he had been carried on the official records as being at his official duty station during this period, he suggested that his supervisor, who approved his "Time and Attendance" cards, be contacted.

Visit to the People's Republic of China

In response to a question regarding similar visits to other countries, the staff member responded that he and a female employee of that office had visited the People's Republic of China during the period April 22, 1978, through May 9, 1978. The individual was asked if the "arrangements" for this trip were identical to the trip to Cuba.

His response was that there was not an attempt to process a Procurement Request but that discussions concerning a report on the visit were held with his supervisors. He stated it was his understanding that some portion of the trip would be charged to administrative leave. Both this individual's supervisor and the female employee who accompanied him to China were contacted and interviewed by the Investigative Staff.

The female employee explained that she was the team leader of an informal group who wished to visit the People's Republic of China, stating that her particular area of interest was family planning and the Chinese were doing a number of interesting things in that field. She then stated that her understanding of how her time was to be recorded while on the trip was exactly the same as the OPP staff member who traveled with her. When asked if she was aware that she was not charged for annual leave during this period, she replied, "I now am."

The supervisor confirmed that some method of partial reimbursement was contemplated. He informed the Investigative Staff that he felt it should be in the form of several days charged to administrative leave granted in return for the employees' sharing their experiences by writing trip reports. When asked why both employees were carried on the official agency "Time and Attendance" (T&A) records as being at their assigned duty stations during these periods, he could offer no explanation. The Investigative Staff notes here that this same individual was signing these T&A cards certifying as to their correctness.

XVII. INDEPENDENT OFFICE OF INSPECTOR GENERAL

In July 1975, ACTION established an Office of the Inspector General (OIG) to provide the Director of the agency with an independent and objective focal point to review the integrity of agency programs. The Inspector General reported directly to the Deputy Director of ACTION. In addition, the Inspector General represented ACTION in interagency activities in the audit and inspection areas. As such, the Inspector General functioned as ACTION's liaison with the Departments of Justice, State, Defense, and such other Government agencies as appropriate.

In February 1978, the agency abolished the Office of the Inspector General and in its place established an Office of Compliance. The Office consists of an Audit Division, an Investigations Division, and an Equal Employment Opportunity Division (EEO). The merger of EEO with the usual IG functions creates both the appearance of and a real conflict of interest.

Conflict of Responsibilities

In most governmental agencies, the Inspector General is the focal point for reviewing the integrity of the agency's operations. It needs to have an independence from program and operational units within the agency. However, the EEO Division has program responsibilities such as affirmative action, and goals for awarding grants and contracts to minority firms. These types of program responsibilities conflict with the intent of Congress on the subject of program responsibilities. In passing PL 95-452, Inspector and Auditor General Act, Congress intended that the Inspector General offices would have no program responsibilities. If there were questions about the policies, procedures, and operations of the EEO Division, there could be a conflict of interest within the Office of Compliance; that is, the Investigations Division could have the responsibility for resolving such questions.

Interposition of ACTION's General Counsel in the Agency's Audit and Investigations Activities

By agreement between the Office of Compliance and ACTION's General Counsel, responsibility for determining whether a case should be referred to the Department of Justice (Title 18 of the U.S. Code) was transferred from the Inspector General to the Office of General Counsel. The Investigative Staff believes that this is contrary to the intent of the Congress. In the Inspector and Auditor General Act, Congress sought to prevent lengthy delays resulting from agency clearance procedures.

It intends that reports or information be submitted by each Inspector General to the agency head and the Congress without further clearance or approval.

* * * * *

ACTION'S RESPONSE
to
A Report to the Committee on Appropriations
U. S. House of Representatives
on the
Policies, Procedures, and Practices
of ACTION

February 15, 1979

TABLE OF CONTENTS

I. INTRODUCTION AND SUMMARY RESPONSE TO THE INVESTIGATION REPORT 1

  A. Introduction........ 1

  B. Summary Response to the Investigation Report 1

    1. Personnel Policies 2

    2. Reorganization 3

    3. VISTA National Grants 3

    4. Procurement 6

    5. Financial Management 7

    6. Role of Inspector General 7

  C. Conclusion 8

II. RESPONSE TO PERSONNEL FINDINGS 9

  A. Introduction........ 9

  B. Report Findings and Agency Responses 9

    1. Manipulation of Personnel System 9

    2. Dual Personnel System 9

    3. Foreign Service Positions in Support Offices 10

    4. Agency "Fifth Column" 12

    5. Jim Fare Incident 12

    6. Increase in Noncompetitive Positions 13

    7. Staffing the Director's Office 15

    8. Past Earnings 15

    9. Qualifications Review 17

    10. Experts and Consultants 17

    11. John Parr Incident 20

  C. Conclusion 21

III. RESPONSE TO REORGANIZATION FINDINGS 23

- A. Introduction 23
- B. Report Findings and Agency Responses 23
  - 1. Plan Ill-Conceived 23
  - 2. Costs Excessive 24
  - 3. Field Restructuring a Myth 25
  - 4. Need for Program Office Buildup Questionable 25
- C. Conclusion 26

IV. RESPONSE TO NATIONAL VISTA GRANTS FINDINGS 27

- A. Background 27
- B. Origins of the National Grants 28
- C. Report Findings and Agency Responses 28
  - 1. Approval of Grants 28
  - 2. Competitive Grants 29
  - 3. Poverty Guidelines 30
  - 4. VISTA Grant Criteria 31
  - 5. National Grant Volunteer Costs 33
  - 6. Policy Waivers 34
  - 7. State Director's Recommendations 34
  - 8. Training - National Grant Volunteers 35
  - 9. Restricted Activities 38
  - 10. State Directors Reservations 41
  - 11. VISTA Self-Evaluation 42
- D. Individual National Grantee Findings 43
  - 1. National Center for Urban Ethnic Affairs .. (NCUEA) 43
  - 2. National Public Interest Research Group ... Clearinghouse (PIRG) 48
  - 3. National Council of LaRaza 51

4. National Association of Farmworkers Association (NAFO) 56

5. Midwest Academy 63

6. Community Organization Research Action Project (CORAP) 72

V. RESPONSE TO PROCUREMENT PRACTICES FINDINGS 78

A. Questionable Practices 78

1. Absence of Procurement Planning 78

2. Violations of Statutes 80

3. Imprudent Activities of Program Official 82

4. Questionable Use of Minority Firm 8(a) Awards 84

5. Non-Recovery of Costs for Canceled Training 85

6. Questionable Evaluation of Competitive Procedures 86

B. Dominance of Program Technical Personnel 91

C. Placement of Procurement Within the Organization 91

D. Conclusion 91

VI. RESPONSE TO FINANCIAL MANAGEMENT CONTROLS FINDINGS 93

A. Weakness of the Accounting Division 93

B. Unauthorized Obligation of Funds 94

C. Failure to Report Known Violation of the Anti-Deficiency Act 98

D. Questionable Travel Practices 98

VII. RESPONSE TO OFFICE OF INSPECTOR GENERAL FINDINGS 101

A. Introduction 101

B. Report Findings and Agency Responses 101

1. Conflict of Responsibilities 101
2. Responsibility for Referring Cases to Department of Justice 102

C. Conclusion 103

ATTACHMENTS "A" and "B"

544

I. INTRODUCTION AND SUMMARY RESPONSE TO THE INVESTIGATION REPORT

A. Introduction:

This document was prepared in response to a draft report entitled "A Report to the Committee on Appropriations, U. S. House of Representatives on the Policies, Procedures, and Practices of ACTION."

ACTION, the federal volunteer agency, supports the work of more than 280,000 Volunteers who help their communities and the poor in all 50 states and in 63 countries overseas through the Peace Corps. ACTION has a current annual budget of 214 million dollars.

250,000 of ACTION's domestic volunteers are elderly and work through ACTION's Retired Senior Citizen Volunteer Program. Another 19,000 elderly low-income Americans participate in the Senior Companion Program and Foster Grandparent Program. There are more than 4300 VISTA Volunteers working through 730 sponsoring organizations and 12 National Grantees who reach approximately one out of every twenty poor people in the United States. Over 5700 of ACTION's volunteers are members of the Peace Corps.

B. Summary Response to the Investigation Report

Background: In March of 1978, Congressman Robert H. Michel asked Congressman Daniel J. Flood, Chairman of the Labor-HEW Appropriations Subcommittee, to request Congressman George H. Mahon, Chairman of the House Appropriations Committee, to order a review by the Committee investigative staff of the policies, practices, and procedures of ACTION Agency. The investigative staff focused its review of the Agency procedures in the following areas:

(1) Personnel practices;

(2) Reorganization;

(3) VISTA National Grants;

(4) Procurement;

(5) Financial Management;

(6) Role of Inspector General.

The Committee report contained no findings of ethical violations, no fraudulent use of funds, or other illegal activity by Agency staff. This section presents the summary response to the investigation report. Sections II through VII follow the format of the investigation report and present the Agency response immediately following the quoted investigation report finding. The page number at the end of each such finding corresponds to the page number of the finding in the investigation report.

1. Personnel Policies

The report recommends adoption of a firm written policy to control foreign service appointments below the Foreign Service Reserve (FSR) 2 level in support offices. The Agency has such a firm written policy. All such positions have been competed since 1975 in accordance with ACTION's Union Contract and its merit promotion plan. The Civil Service Commission has acknowledged ACTION's statutory right to use Foreign Service hiring authorities. All such appointments support Peace Corps. The circumstances in which these authorities can be used is set forth in the Foreign Service Act. ACTION does not believe additional clarification is needed.

The investigators found that the Agency is in full compliance with Civil Service Commission (now Office of Personnel Management) policies in determining qualifications of job applicants based on knowledge, skills, and abilities rather than solely on past earnings. This policy has the effect of eliminating past discrimination with respect to pay scales for women and minorities and has the effect of opening Government service to highly qualified individuals whose previous experience had been in state and local governments and nonprofit organizations. The investigators question this established Civil Service Commission practice.

The Agency is in agreement with the finding that compliance with reporting procedures on experts and consultants have not been adequate and that in some instances experts may have been performing staff functions. Measures have been taken to correct both of these problems.

The investigators found that the Agency has increased the number of non-career policy positions by 30 when compared with the final days of the last administration. However, a more appropriate comparison to the first years of the last administration indicates that the Agency presently has 69 fewer non-career positions. Additionally, all non-career, general schedule policy positions have been approved by the Civil Service Commission (now Office of Personnel Management) as necessary and appropriate.

ACTION's use of experts has been prudent. The present administration has reduced by 60% the amount of money expended in 1977 and 1978 for consultants when compared to the amount expended during the first two years of the previous administration.

The staff of the Director's office is comparable with previous administrations. The size of the Director's staff in June 1978 was identical (36) to the size of the Director's staff in June 1974. As of September 30, 1978, 25 individuals were on the Director's staff.

The draft report ignores the fact that the present administration has eliminated abuse of the Foreign Service appointing authority. The Civil Service Commission found consistent and pervasive abuse of the entire personnel system under the previous administration. These abuses have been corrected and systems instituted to ensure that they cannot recur.

2. Reorganization

In the last two years ACTION has reorganized its domestic operation field structure in order to: shift program authority to the state offices and give program offices increased policy and budget authority. In addition the Office of Voluntary Citizen Participation was created. Much of the reorganization effort was undertaken by an agencywide Task Force. The planning process incorporated techniques which are approved by most modern management experts. Use of these planning techniques permitted the Agency to carry out decentralization with minimum disruption of Agency activities and personnel. While the investigative staff questioned the cost of the reorganization, they offered no evidence that it could have been carried out as effectively at lower cost.

Since the reorganization was not completed when the investigative staff finished its review, additional time is necessary before a determination can be made about whether the reorganization will achieve all of its objectives.

3. VISTA National Grants

VISTA, a volunteer anti-poverty program created in 1964, experienced hard times during recent administrations and, in fact, was scheduled for zero funding by the Ford Administration in FY '79. In 1973, Congress rejected attempts by the previous Director of ACTION to move VISTA away from its poverty orientation by reaffirming, in the Domestic Volunteer Service Act, that the mission of VISTA is to concentrate on poverty and poverty-related activities. When the new administration took office in March of 1977, it found a demoralized Agency with a rapidly deteriorating sense of purpose.

To establish VISTA's new priorities, which had been shifted in recent years to having volunteers perform staff and one-to-one service functions, the new administration implemented the National Grants program. The purpose of the grants was to demonstrate not only to the Agency, but to the entire poverty community, that a renewed and expanded approach to fighting poverty could be expected from ACTION in keeping with its Congressional mandate. VISTA, under the present administration, emphasizes the support of community based efforts which build the capacity of community residents to identify their needs, develop realistic plans to meet those needs and secure the resources to implement their plans. The end goals are to have volunteers leave the community with an established mechanism for continuing the project in the hands of the community residents and to have volunteers participate in breaking the cycle of poverty instead of perpetuating it.

National Grants enable VISTA to:

(1) Program for national impact on issues of concern among poor;

(2) Reach populations of special need;

(3) Develop projects with grassroots groups which ordinarily would not be sophisticated enough to compete for federal funds;

(4) Provide a single, simplified application process for multiple, grassroots projects which have a common program emphasis.

The investigative staff questioned the development of VISTA's National Grant program, which represents 14% of VISTA's overall budget. More than 70% of each grant is used to pay the living expenses and other direct support costs of VISTA volunteers. No part of any National Grant is used to pay overhead expenses of the grantee. These grants, twelve in number, have been awarded to nationally recognized groups which have a proven record of addressing the social and economic conditions at both the regional and national level which impoverish 26 million Americans. Among the activities carried on under these grants are low income food cooperatives; nutrition, education and health projects, and housing and home improvement projects.

In the report, the investigative staff questions whether: (1) National Grants should be awarded on a competitive basis; (2) VISTA meets its Congressional mandate of helping the poor; (3) VISTA volunteers have engaged in prohibited activities; (4) National Grant volunteers are more expensive than traditional VISTA volunteers; and (5) VISTAs are provided adequate training.

Competitive Grants

There is no legal requirement that grants be competed. In the entire history of ACTION, prior to 1978, no grant had ever been awarded competively. In January of 1978, two months prior to the signing of an Executive Order by the President encouraging federal agencies to award program grants on a competitive basis, and three months prior to the beginning of the Appropriations staff review, ACTION established a new policy to require competition of all future national grants. At that time, seven National Grants had been awarded and five were in advanced stages of review. No National Grants were awarded except those in process at the time the decision was made to require competition for national grants.

VISTA'S Poverty Mandate

VISTA serves poor people. To the extent that the efforts of VISTA volunteers help other non-poor Americans, the benefit is incidental to this main purpose. A co-op founded and controlled by poor people may have non-poor members. Street lights installed in a slum shine on everyone, rich or poor.

VISTA's anti-poverty mandate is based on the premise that no group of Americans should be stigmatized and cut off from the rest of American society. The cardinal lesson learned in the last 15 years is that the poor can best ameliorate their condition through social and economic cooperation with other segments of the society which are directly affected by the problems which cause and perpetuate poverty. VISTA's success in the last two years, in reaching one out of every twenty people who are impoverished, is directly related to this policy of building coalitions of people rather than segregating the poor.

Volunteer Involvement in Prohibited Activity

All VISTA volunteers are prohibited by law from participating in partisan or nonpartisan political activity. ACTION strongly enforces these restrictions through training programs to prevent violations and through a thorough monitoring system. All 730 sponsoring organizations and all 12 National Grantees were informed of these prohibitions on political activity and accepted them as a condition of VISTA sponsorship. All VISTA Volunteers are thoroughly instructed regarding these prohibitions during their orientation. In the last two years, ACTION's monitoring system has discovered three instances in which VISTA volunteers were participating in such prohibited activity. All were stopped.

In visiting VISTA sites, the investigators discovered two other incidents in which VISTA volunteers were participating in prohibited activity. These were also stopped. In response to the concerns raised by the Committee staff, ACTION has again given notice to all sponsors and National Grantees regarding the prohibitions on political or labor organizing activity.

Cost of Volunteer Training

The cost of VISTA volunteers placed with national grantees was approximately $700 more than standard VISTA volunteers--the difference is almost entirely attributable to lengthened and improved training provided to these volunteers.

Adequacy of Volunteer Training

Standard VISTA volunteers also need better training. In comparison to the training provided Peace Corps Volunteers, VISTA training in the recent past has been cursory. In 1976, standard VISTA volunteers received 2 to 2 1/2 days of orientation. Beginning in 1977, ACTION systematically began to rebuild and strengthen its training programs for VISTA volunteers. The increased training provided National Grant VISTAs was the first step in the development of this new training program.

ACTION's budget for Fiscal Year 1980 includes funds to complete the development of an integrated training program which will add 6 days to the training schedule of standard, as well as National Grant volunteers.

4. Procurement

The report recommends more adequate advance procurement planning in order to provide more lead time to the procurement office. Improvements in planning would, the investigative staff believes, result in improved competition, with resulting benefits to the Government, both in the quality and cost of contractual services. ACTION agrees with the investigators' analysis. The Agency identified this long-standing problem in May 1978. In October 1978, at the beginning of fiscal year 1979, it issued, for the first time, a procurement plan call to all program offices. All program offices are now required to submit schedules of their procurement requirements to the Contracts and Grants Management Division for the ensuing 12 months at the beginning of each fiscal year.

The report also recommends that program staff members be trained in the statutory and regulatory requirements governing federal procurement. ACTION accepts this recommendation.

550

Federal procurement is a complex field. Program officials, as well as contracting personnel, need to be familiar with it to make the procurement process more efficient and to avoid inadvertent improper actions.

5. Financial Management

The Accounting System: Only 62% of all federal agencies have had their accounting systems approved by the General Accounting Office (GAO). In August, 1978, ACTION became one of them. For the first time in the Agency's history, its accounting system has been approved by GAO.

Obligation of Funds

On three occasions during the last fiscal year, ACTION was left with no legal authority to obligate funds. ACTION has followed operating procedures that are common to all federal agencies in its restriction of expenditures during these periods. The investigators concluded, however, that contracts and grants were signed, purchase orders executed and new employees hired during a period when the Agency had no legal authority to do so. A substantial portion of the report findings pertain to the obligation of $417,000 by grant or contract during this period. The investigators' conclusion is mistaken with regard to approximately $350,000 cited in the report as improperly obligated. The Agency agrees with the finding of the investigators that several small contracts and leases were executed without authority by Peace Corps Country Directors overseas who were not completely familiar with the appropriations process. All these obligations were subsequently ratified by Act of Congress.

The investigators correctly point out that new employees were hired during these periods. In most cases, a prior commitment had been made to the individuals which had to be honored.

ACTION also agrees with the findings of the investigators that ten ACTION/Peace Corps staff members stayed at Peace Corps staff houses overseas and failed to have their per diem reduced as required when staying in Government leased quarters. The Office of General Counsel has issued a clarifying memorandum and asked GAO for an opinion on how to handle cases in which per diem may have been inappropriately claimed in the past.

6. Role of the Inspector General

The investigators suggest the "possibility" of a conflict of interest in having the Inspector General functions and

Equal Employment Opportunity functions in the same office - the Office of Compliance. The suggestion is based on a provision in the new Inspector and Auditor General Act requiring that Inspector General offices be free of program responsibilities.

ACTION is not covered by the Act. Furthermore, the Equal Employment Opportunity Office has no program responsibilities. The potential for a conflict of interest in this arrangement is remote. Any potential or apparent conflict of interest in an investigation of the EEO division would be resolved by assigning a third party within the Agency, reporting to the Director, to conduct the investigation.

The combining of Inspector General and Equal Employment Opportunity functions was made to conserve Agency resources and to avoid duplication of effort by including within one division the various monitoring and compliance functions of the Agency. The Inspector General is afforded adequate independence under the present structure. The Director of the Office of Compliance is part of the Executive Staff of the Agency and reports directly to the Director of ACTION.

C. CONCLUSION

The ACTION Agency appreciates the Committee staff's diligent efforts to indicate areas of Agency operation which can be improved. Several of the recommendations are helpful and will be or already are being acted upon by the Agency. (See Attachment "A".)

We believe the information contained in the Agency's response to the Committee report provides additional information which will be of assistance to the Committee in evaluating the findings of the report.

II. RESPONSE TO PERSONNEL FINDINGS

A. Introduction:

Sections II through VI of the draft investigation report present an analysis of the Agency's use of its hiring authorities.

The committee investigators conducted an extensive survey of ACTION's personnel system and the implementation of the Agency's policies and procedures. The investigators conducted numerous interviews with Agency employees and were provided with all the information they requested, including the personnel files of all high level ACTION employees. The report reveals no serious or intentional violations of personnel laws or regulations. The investigators concur that the Agency is in compliance with all pertinent Civil Service Commission regulations. The report contrasts the number of non-competitive employees presently in the Agency with the number in previous administrations and concludes that such positions have increased during the present administration. Agency statistics show a decreasing number of such positions resulting in a substantial saving of government funds. The report points up certain deficiencies in the manner in which records are kept with respect to the use of consultants by the Agency. Steps have been taken to correct this problem found by the investigative staff.

B. Report Findings and Agency Responses

1. Manipulation of Personnel System

Finding: "The Investigative Staff can only conclude that ACTION officials have been in error in assuming or implying that past manipulation of the personnel system is in some way related to the ineffective accomplishment of current agency programs." (p.i.)

Response: No Agency official has stated or implied or agrees that there is or has been "an ineffective accomplishment of current agency programs". Past personnel abuses have affected the current administration's ability to relate to the career staff - there are eight years of distrust of management to overcome, and the current administration is working hard to overcome that distrust.

2. Dual Personnel System

Finding: "While the flexibilities of the dual personnel system may be highly desirable from a management standpoint, there are just not enough safeguards to prevent its abuse. In the hands of a willful director, it could still be used as a means for circumventing merit hiring principles." (p.ii.)

Response: The report fails to take into account ACTION's merit promotion plans* for Foreign Service (FS) employees which are much like the General Schedule (GS) competitive service plan. The stateside plan is set forth in ACTION Order 335.1 and the Union contract. ACTION's merit promotion plans apply to all Foreign Service positions except FS 1 & 2 positions, three special Foreign Service positions in Peace Corps which may be filled without competition, and all Peace Corps Country Director positions. All other non-temporary Foreign Service Reserve appointments are filled through competitive procedures set forth in ACTION merit promotion plans.

A Director, willful or otherwise, may not unilaterally withdraw Foreign Service jobs from the competitive system without notifying/negotiating the change with the Union. The only distinction between the Foreign Service system and General Schedule merit promotion plan is that Civil Service status is necessary when applying for General Schedule positions.

3. Foreign Service Positions in Support Offices

Finding: "ACTION has no written policy on how positions in support offices will be filled. As explained to the Investigative Staff, the Assistant Director for A&F is under instructions to try replacing foreign service employees in support positions with General Schedule employees, but, in practice, the Assistant Director may still open up jobs to either type of employee if such advertising is likely to attract the best applicant." (p.7.)

Response: The Agency was provided its foreign service hiring authority by Congress pursuant to the Foreign Service Act. Under such authority, the Agency is empowered to hire Agency-wide support personnel through the Foreign Service system in lieu of or in addition to the General Schedule system. This flexibility provides Agency management with a necessary tool for attracting highly qualified applicants from a variety of sources. Adequate procedures presently exist to protect against possible abuse of the Foreign Service hiring authority, including merit promotion plans for virtually all Foreign Service positions almost identical to the competitive process found in the General Schedule hiring system. Therefore, the statutory scheme need not be altered.

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*Merit promotion plans include provisions for (1) announcing position vacancies; (2) the application process; (3) the ranking process;and (4) the selection process.

Finding: As if to illustrate the point, two mid-level support office positions were advertised as both FS & GS ...The reason for posting the vacancies in this way was that both positions were to have some responsibility for recruiting Peace Corps staff." (p. 8.)

Response: The two jobs, advertised under both the Foreign Service and the General Schedule systems, have exclusive responsibility for Peace Corps recruiting. One was filled through General Schedule hiring authority because the person selected had competitive status under the General Schedule system. The other was filled under the Foreign Service authority because the position fully supported Peace Corps activities.

Finding: "It is the union's view that under a FS appointment, the employee has no seniority, lesser fringe benefits, and his mobility is restricted. Also, his grade is not necessarily based on 'equal pay for equal work'....The Investigative Staff agrees fully with the union position on use of foreign service positions in support offices." (p.8.)

Response: In keeping with the Union contract, Foreign Service jobs are graded against the same standards as General Schedule positions, assuring equal pay for equal work. The fringe benefits--life insurance, health benefits, retirement benefits--are the same. Finally, seniority has never posed a problem in either the Peace Corps or in support office, Foreign Service positions. There has never been a reduction-in-force affecting these positions. If there were to be one, there is a formula for retention negotiated with the Union applicable to Foreign Service positions. Mobility, i.e., movement to positions in the General Schedule in ACTION or to other government agencies, is restricted unless the Foreign Service employee has Civil Service status by virtue of a previous competitive service appointment.

4. Agency "Fifth Column"

Finding: "If, as reported, ACTION management has 'to keep one eye cocked to the rear at all times,' the Investigative Staff must accordingly conclude that the implied 'fifth column' is not made up of political holdovers who have become an impediment to the effective accomplishment of agency programs." (p. 8.)

Response: The statement, referred to in the report, was taken from a newspaper column, and was used by the reporter, and was not supplied by an Agency spokesperson. When the Agency official who was alleged to have made the statement was interviewed by the investigators, he denied that a "fifth column" exists within the Agency.

As a result of a mass conversion of employees from Foreign Service to General Schedule positions during the last administration, many of the employees converted were brought into Government service without competing for their positions. When the conversion was completed, they acquired the benefits of protected civil service status without ever having had to compete with others qualified for the position.

The appearance that the conversion was politically motivated arises out of the "eleventh hour hysterics" documented in the report, whereby the previous administration of ACTION did try to convert to General Schedule positions a number of high level loyalists after the 1976 election. The Civil Service Commission found that the previous administration had abused its authority, and it reversed the reinstatement of two ACTION Regional Directors and the conversion to General Schedule positions of two other high level employees in the national office.

The net result of these and other well documented abuses of the personnel system practiced by the previous two administrations is that the current administration of the Agency has had to deal with and overcome eight years of distrust of management by Agency Union and personnel representatives. Management/personnel relationships now appear to be better than ever before in the Agency's history.

5. Jim Fare Incident

Finding: ACTION has the unique distinction of having two Deputy Assistant Directors of A&F, the one appointed under the Civil Service system and the other serving under a Foreign Service appointment." (p. 10.)

Response: This is an acceptable governmental procedure and is not unique to ACTION. Double encumbering of a position is a standard practice when an essential job remains vacant for an extended period of time, e.g., long-term training, illness, sabbaticals, detail of personnel to other Federal agencies.

Finding: "While in training, Fare received full salary." (p. 9.)

Response: Mr. Fare did receive full pay while in training. After completing his training, he was nominated for a special program for long-term training and executive development to improve his management skills, as authorized by the Government Employees Training Act. It is a standard practice in federal agencies to allow career employees to improve their skills and advance their careers while maintaining full pay. Mr. Fare is presently working for the Defense Systems Management School under a procedure whereby ACTION is reimbursed for the majority of his salary.

6. Increase in Noncompetitive Positions

Finding: The Investigative Staff found that the number of high-level management positions and positions excepted from Civil Service rules and regulations has increased [by 30] since the present Director of ACTION was appointed." (p. 11.)

Response: A more accurate comparison, as shown below, contrasts the total number of comparable excepted positions the previous administration had at the beginning of its term with those positions available at the beginning of the present administration. An additional column has been added to the table provided in the report to show the number of such positions in 1972.

	1972 Plum Book*	September 3, 1976	March 30, 1978
Executive Level	6	6	6
Non-Career Executive Assignment (NEA)	2	3	6
GS-Schedule C (confidential policy making positions)	9	11	33
Other Excepted Positions:			
Peace Corps Country Directors (and Medical Officers)	62	49	60
Other FS 1, 2, & 3	112	26	24
GS Schedule A & B (professional and positions not available off the CSC register)	9	6	2
Totals	200	101	131

Between 1972 and 1976, 99 high-level excepted positions "disappeared" within the agency. This loss, in part, was caused by mar [illegible] the employees filling these positions being converted to career General Schedule positions within the Agency.

Another factor which is not reflected in the comparison between the 1976 and the 1978 figures cited by the investigators is that between 1973 and 1977, the previous administration had 67 FS 1 & 2 positions filled by 79 individuals. As of 10/11/78, under the current administration, the Agency had 27 FS 1 & 2 positions, of which six were vacant and two were holdovers from the previous administration. Thus, as of that date, the current administration had appointed only 19 employees to FS 1 & 2 positions.

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*'Plum Book' - U.S. Government-Policy and supporting Positions - manual reflecting all agency positions outside the competitive Civil Service.

7. Staffing the Director's Office

Finding: Until recent months, staffing of the Office of the Director was consistently at much higher levels under the present Director than under his predecessor." (p. 13.)

Response: The standard of comparison in the report lacks consistency. The report compares the first two years of the present administration with the last year of the previous administration. Thus, it fails to take into account the need for additional staff during the transition period from one administration to the next when short term temporary increases, which were carefully planned, were implemented to accomplish certain tasks which could best be conducted from the Director's office. Personnel included in these temporary increases were members of the transition recruitment staff and the reorganization staff. A valid comparison would show staff levels for both administrations during comparable time periods, as does the following table:

Director	Date	Size of Director's Staff
Balzano	6/30/74	36
Brown	6/30/78	36
Brown	9/30/78	25

This comparison shows that the present administration has been more prudent in utilizing staff, and has succeeded in its efforts to reduce the size of the Director's staff. Once the objectives of the transition period were accomplished, the size of the staff was significantly reduced, as shown by the table above.

8. Past Earnings

Finding: "The Investigative Staff found that ACTION with concurrence from the Civil Service Commission largely discounts past salary in the private sector as a factor in evaluating qualifications and setting salary levels for appointments to excepted positions. For practical purposes, the Commission has abdicated its legal responsibility for evaluating the qualifications of appointees to Noncareer Executive Assignment (NEA) positions. As a result of these developments, ACTION [as well as the other departments and agencies] has had a free hand in selecting appointees, and Federal employment has proven a rewarding experience, both financially and, hopefully, otherwise, for a number of upper-level ACTION employees." (p. 16)

Response: The statement in the report implying that the only practical common denominator for judging qualifications is salary level is out of step with the better reasoned conclusion reached by authorities in the field. The Civil Service Commission has recognized that many qualified persons have been excluded from consideration for important Government posts solely because they gained their experience with State Governments or non-profit organizations at a relatively low rate of pay. The decision by the Commission to evaluate experience on the basis of quality and level of responsibility, regardless of the level of pay or even if no pay is received, has opened Government service to numerous, highly qualified persons previously excluded because of the arbitrary emphasis on previous salary levels. Discrimination with respect to pay scales for women and minorities is well documented. The net effect of the Commission's position is to reduce the effects of past discrimination. The test, as set forth by the Commission, for determining qualifications is now whether the applicant's experience demonstrates the knowledge, skills, and abilities necessary to perform the Federal job for which the applicant is being considered.

As an agency which provides programs for volunteer service and which encourages skilled persons to interrupt their careers and volunteer their talents to benefit low income persons all over the world, ACTION has long recognized that the accurate measure of abilities is more often the quality of an individual's experience and not necessarily the salary received. Furthermore, the Agency welcomes the opportunity to hire qualified individuals who have been directly involved in running programs outside of the Government in order to make ACTION's programs more responsive to the communities served.

Finding: "[One employee upon coming to work for ACTION doubled his salary.] In view of his limited prior work experience, the Investigative Staff asked for an evaluation of his qualifications for the high-level job but was informed that the personnel office has no role in reviewing the qualifications of senior management personnel hired under FS authority and was not consulted in regard to this appointment." (p. 18)

Response: The personnel office neither grades nor qualifies individuals for FS 1 & 2 appointed positions. These positions are policy making jobs which require that the individuals selected enjoy the trust of the Director. The individual selected for the position was qualified for the position for which he was appointed on the basis of his experience.

9. Qualifications Review

Finding: "[A GS-15 staff assistant]...reported working as a "free lance consultant" since 1960 at a daily rate of $150...the employee was asked by the agency to provide further details on the employment to clarify the record, but to date, 2 years since being appointed, the employee had not done so. The Investigative Staff doubts whether the personnel office actually cares whether the experience is ever verified." (p. 18)

Response: When the investigators arrived at the Agency the Personnel Security Division of ACTION was in the process of verifying employment data submitted by the employee. The experience of the employee was verified by the Personnel Division soon after the investigators left the Agency. The employee is qualified for the position she holds.

Finding: "Three of the appointees to Regional Director positions did not even bother to report salary information for prior employment in their applications." (p. 18)

Response: All seven of the recently hired Regional Directors reported their incomes on the required government application form (Form No. 171).

10. Experts and Consultants

Finding: "Poor information on experts and consultants." (p. 19)

Response: The Agency's reporting procedures on the use of experts and consultants have not been complied with. As a result of the report findings steps have been taken to improve compliance with Agency procedures. The Personnel Division has increased its efforts to insure the accuracy of the quarterly report on experts and to compare it to payroll and accounting records. The Accounting Division is altering its procedures in order to supply adequate information for the Office of Management and Budget report.

Finding: "Number of Experts on the Increase." (p. 20)

Response: The standard of comparison used by the investigators is inconsistent because it contrasts the last year of the previous administration, when Agency programming had been reduced to a minimal level and when that administration was advocating a total phaseout of the VISTA program, with the first two years of the current administration, which has a mandate to revive and restructure the Agency.

When the new Director of ACTION was appointed in March of 1977, he found the Agency drifting away from its statutorily mandated purpose - a victim of eight years of neglect and attempts to abolish its major domestic and international programs. A critical need existed for a quick infusion of new life into the programs of the Agency. Accordingly, consultants were employed to recommend new initiatives for ACTION, such as major portions of the President's Urban Program, the National VISTA Grants, Neighborhood Anti-Crime Programs and low income participation in the National Consumer Cooperative Bank.

Despite the influx of consultants for new programming and the increased salaries for consultants, the present administration reduced the Agency's costs for consultants by almost sixty percent (60%) compared to the previous administration, as shown in the following table:

Consultant Costs

Director	Fiscal Year	Amount Expended
Brown	1977	$538,426
	1978	$909,522
Balzano	1973	$1,621,000
	1974	$1,996,000

Finding: "In a similar vein, ACTION used its expert/consultant appointing authority extensively to hire NEA, Schedule C, and other excepted employees pending official clearances and approvals. The Investigative Staff is aware of at least 20 top level ACTION employees who were initially appointed as experts. Some of these appointments were only for 2 or 3 days, while others extended over several months." (p. 23)

Response: Expert appointment prior to a non-competitive appointment in the excepted service is not prohibited by Civil Service Commission regulations. In fact, such use of the expert/consultant authority is common practice throughout the Government. Persons selected for key level positions are expected to be able to move into their jobs as soon as the approval process is completed. However, often such approval is drawn out for an extended time due to a variety of factors such as Federal Bureau of Investigation background investigations, security clearances, and confirmation hearings. For example, ACTION's new Assistant Director for Administration and Finance served as a consultant for four months awaiting Senate confirmation of her appointment. During that period she studied the workings of the office and made recommendations for improvements, but had no authority to make binding Agency decisions, i.e., personnel hiring and firing, sign off on grants and contracts, etc. When the appointment was confirmed, the Agency had the benefit of her ability to assume the position without undue delay.

Finding: "[The Agency] hired experts to serve in staff positions." (p. 22)

Response: Under the present administration, it is not the practice to hire consultants or experts to serve in regular staff positions. Every request for an appointment is accompanied by a certification by the office head that the existing staff is unable to perform the duties described for the expert. Once hired, experts may have been used, on occasion, by office heads to perform staff functions. The Agency will make further efforts to assure that office heads are fully informed as to the proper use of experts and consultants.

Finding: "[The Agency] sets pay rates [for consultants] at levels not commensurate with past earnings." (p. 22)

Response: Pursuant to Office of Personnel Management (formerly Civil Service Commission) guidelines (Federal Personnel Manual, Chapter 304), pay rates for consultants are determined by the grade level of the duties to be performed and the individual's qualifications for the position. Past salary is used as a factor in setting a consultant's salary level only when the individual's previous rate of pay exceeds the amount set for the beginning level by government pay scales for the position to be filled by the consultant.

Finding: "[The agency has]...improperly designated all employees hired under the appointment authority as experts." (p. 22)

Response: A review by the Personnel Management Division has shown that all of the persons whose files were checked were properly designated as experts rather than as consultants. The report does not allege or give facts to support the contention that some individuals should be called consultants rather than experts. Government personnel regulations make no distinction in terms of work product requirements between experts and consultants.

Finding: "The Investigative Staff found the most glaring examples of abuse of this policy [of not hiring experts to perform staff functions] in the ACTION personnel office itself, where two employees served [as experts]. Both experts were subsequently hired to the same positions as permanent full-time employees..." (p. 22)

Response: None of the existing staff in the case cited in the finding had the necessary qualifications to perform the work assigned to the two experts. When the decision was made to hire permanent staff, the experts applied and competed for positions which had significant differences (i.e., supervisory functions) from the responsibilities they performed as experts. The Foreign Service employee competed with 19 others for the position and was selected by the review panel as one of the five best qualified candidates for the position. The General Schedule employee competed with 39 others, and was one of nine best qualified candidates referred for two positions.

ii. The John Parr Incident

Finding: "Parr had served as an expert with ACTION from December 14, 1977 to January 18, 1978. He worked a total of 20 days, at a daily rate of $100 ... little evidence was found of any expert qualifications in Parr's background or that he made much of a contribution while serving as an expert ... Nothing in his background remotely suggests that he had the credentials which Civil Service Commission normally considers necessary for an expert consultant ..." (pp. 23, 24)

Response: John Parr, contrary to the findings in the report, provided very valuable assistance to the Agency when the Office of Compliance was created early in 1978. The report findings were made without speaking to Mr. Parr.

Mr. Parr is regarded as an authority in the field of government reorganization and audit procedures. He was hired by the Agency to review the audit, inspection and investigative procedures of ACTION and made recommendations for consolidation of the Inspector General and Equal Employment Opportunity functions within the Agency. Mr. Parr's recommendations were adopted and instituted by the Agency.

Mr. Parr, an attorney, was extremely well qualified for his position with the Agency. His previous employment included working for the Governor of Colorado to oversee the reorganization of major functions of that State Government. In addition, Mr. Parr worked for one-and-one-half years for the State of Colorado as an advisor to the Governor in developing procedures to be performed by the State Auditor of Colorado. Mr. Parr's completed 171 form is and has been on file for the investigators to review.

C. Conclusion

Under previous administrations the Agency compiled a long and unenviable record of abuse of the personnel system. A 1975 Civil Service Commission investigation found conclusive evidence that the Agency had maintained a system for determining the political affiliation of job applicants and for making staffing decisions based on political considerations. The Agency presently has an excellent staffing and promotion plan for Foreign Service positions negotiated with the Union which prevents the abuses of the past from reoccurring. This plan is similar to the plan for General Schedule positions. The report fails to note that the abuses so prevalent under the previous administrations are now non-existent.

The report findings regarding the salary increase issue do not support the conclusion that unqualified persons have been hired by the Agency. Government salary levels are not set by the Agency. Salaries are related to the responsibilities of the position. The investigators are evidently in serious disagreement with the Civil Service Commission as to whether or not past salary is a relevant criterion for judging qualifications, and the Agency supports the Commission position.

In summary, the six month review of the Agency's personnel system did not expose any intentional or serious violations of personnel laws or regulations. Personnel administration within ACTION is more equitable and stable than it has ever been. These improvements are reflected in better employee morale and more successful program administration throughout the Agency.

III. RESPONSE TO REORGANIZATION FINDINGS

A. Introduction

One of the main purposes of the Agency's Domestic Operations reorganization was to shift project authority to the state offices while making changes in program emphasis. ACTION's purpose in reorganizing the Domestic Operations segment of the Agency was not to strip particular organizational units of power and eventually phase out the function which is often the intent of reorganization projects. The purpose of ACTION's reorganization was in keeping with President Carter's criteria for agency reorganization, set forth by the President when he announced the plans for the Executive branch reorganization project, which sought to move the decision making process to the lowest possible governmental level and to simplify government structure.

The Agency reorganization was virtually completed soon after the investigators left the Agency and was done so at a minimal cost. In addition to the decentralization of field offices which gave State Directors project approval authority, a number of significant headquarters organizational changes were designed and implemented which are detailed at page 24 of this response. It is significant that by openness and consideration of the needs of employees, the reorganization has been accomplished without the forced geographic transfers and downgradings that too often accompany Federal agency reorganizations.

B. Report Finding and Agency Responses

1. Plan Ill-Conceived

Findings: "ACTION was committed to 'new directions' but undertook the reorganization without much idea about just where it wanted to go or how to get there. As a result, the reorganization began with much flurry and fanfare but progressed by fits and starts and ultimately evolved into a plan seemingly based on the premise that 'the best change is no change at all'." (p. 31)

Response: This finding fails to take into account the purposes, processes and outcome of the reorganization and contradicts other facts presented earlier in the report. The investigation report correctly detailed the goals of the Agency's Domestic Operation's reorganization project: (1) to shift program emphasis so projects emphasized meeting basic human needs; (2) to delegate program decision-making to the state offices; (3) to give program offices increased policy and budget authority; (4) to make a series of other organizational changes, and (5) to involve employees more fully in decisions affecting their work lives. (See page 26 of the investigation report.) All of these are significant changes.

The Agency made a commitment to a fully participatory reorganization process. The Task Force and Work Groups were the vehicles for this participation and the staff of the Task Force facilitated and ensured that the voices of the employees were heard. Furthermore, the Agency committed itself to ensuring that no employee would be adversely affected by downgrading or geographic transfer. Naturally, such a process takes longer and appears less efficient than a top-down reorganization which does not constrain itself by such extensive employee participation or protection.

In addition to major changes in the process and structure of Domestic Operations, there were a significant number of changes in other parts of the Agency brought about by the reorganization process. These include:

- The Office of Voluntary Citizen Participation (OVCP) was created and staffed;

- The Office of Recruitment and Communications (ORC) was created;

- Budget functions were decentralized to the program offices;

- The Data Management Division of the Office of Administration and Finance was reorganized.

2. Costs Excessive

Findings: "The need for setting up and staffing a task force was based on the assumption of an extensive reorganization that never materialized. With more realistic early planning, the Investigative Staff believes the need for the task force would have been obviated, and the additional work could have been taken on and accomplished by ACTION's management analysis staff. The costs of this approach would have been much less than the $147,000 required to fund the reorganization task force." (p. 31.)

Response: A successful extensive reorganization was implemented at ACTION. The investigators underestimate the complexities of a major reorganization and fail to consider that, normally, all the costs associated with an agency reorganization are hidden. In an effort to implement an open reorganization, most of the overhead costs of the reorganization were identified and budgeted for from the outset. The same functions could have been performed elsewhere in the Agency, and those costs never clearly attributed to the reorganization, thereby reducing the apparent cost.

3. Field Restructuring A Myth

Findings: "Even with the proposed build-up, namely 40 positions distributed among 49 state offices, it is unrealistic to assume that 'this reorganization will be very effective in moving decision-making authority closer to the communities and in strengthening state offices' capabilities to respond to community needs'." (p. 31.)

Response: The draft report was submitted while the Domestic Operations portion of the reorganization was still underway, and does not reflect the outcome. In fact the reorganization is being completed quite successfully. Program decision-making has been moved to the state offices and duplicative review steps eliminated from Regional offices while appropriate management control has been maintained. To date, 75% of the 40 positions to be transferred to the state offices have been assigned to the states and despite the Government hiring limitation, 18 employees are on-board in the new state positions. In keeping with the Agency's commitment to employee participation, the final plan for each of the 10 regions was prepared by the individual regions. Furthermore, the reorganization is substantially strengthening state offices' capabilities by increasing the number of State Program Officers by more than 35%.

4. Need for Program Office Buildup Questionable

Findings: "The big winners in the reorganization were the national program offices. It is difficult to reconcile the objective of strengthening the state offices with a bloated headquarters staff." (p. 31.)

Response: Under the prior administrations of ACTION, the national program offices fulfilled a role much less important and active than that designated for them under the current administration. This new role includes not only additional budget and training, but a more direct role in setting policies, developing procedures and influencing the activities of the field. The increase in the size of the offices is proportionate to the increase in their responsibilities. New positions in the program offices were filled more rapidly than those occurring in the state offices because of the availability of a greater number of interested headquarters staff for whom reorganization did not require relocation.

C. Conclusion

A major reorganization is a massive undertaking requiring the use of modern management techniques. To achieve success the Agency considered not only administration desires and program objectives, but the welfare and morale of employees. In the past, Agency reorganizations were carried out by firing and downgrading employees in a seemingly arbitrary manner. The scars of some of these previous reorganizations still mark the Agency. They are manifested in a continuing, though diminishing, employee hostility toward management and in the recently-settled class action lawsuit* filed against the Agency in 1975, which was based on allegations of systematic discrimination in personnel actions by previous administrations.

In order to maintain the trust of Agency personnel, the reorganization was carried out with the full participation of employees at every level and without lay-offs or downgradings. The fact that the reorganization was carried out in this manner is a source of great satisfaction to this administration.

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*The class, consisting of all Blacks in the Agency at grade levels GS-9 and below, or their equivalent, claimed pattern and practice discrimination in hiring, firing, promotion, and downgradings.

IV. RESPONSE TO NATIONAL VISTA GRANTS FINDINGS

A. Background:

The VISTA program was created by Congress in 1964 to be an integral part of the war on poverty. The program has continued in existence because of its ability to design and implement innovative programs. VISTA utilizes trained volunteers who catalyze low income persons to work at improving their communities and their lives.

Both the Nixon and Ford administrations made concerted attempts to stifle or abolish VISTA. Nixon proposed zero funding for VISTA in FY '71, and Ford planned to phase the entire program out by FY '79.

The previous director of ACTION, Michael Balzano, believed that VISTA was never intended to be a poverty program. Under his direction, attempts were made to move VISTA away from a poverty orientation. These efforts were largely defeated by Congress when, in enacting the Domestic Volunteer Service Act of 1973, it reemphasized the anti-poverty mission of VISTA. The Act also authorizes smaller experimental programs to allow demonstration grants for activities promoting voluntarism with no requirement for poverty orientation.

However, the original Ford budget projection for Fiscal Year 1978 contained zero dollars for VISTA. This amount was later amended by the Office of Management and Budget to authorize an eight million dollar budget for FY '78, with a total phaseout of VISTA in FY '79.

When the new administration came to ACTION in early 1977, they found a demoralized agency which had drifted away from its identity and sense of purpose. The new administration of ACTION had a mandate from the President to revive VISTA. The commitment by the President was expressed in increased support for VISTA's budget. The fiscal year 1977 budget for VISTA was raised to over 23 million dollars and the FY '78 budget increased this sum to more than 25.5 million dollars.

ACTION first initiated an extensive citizen review process in the spring of 1977 to examine the entire agency and its programs, including VISTA. Marge Tabankin was selected as VISTA Director because of her extensive working knowledge of grass roots community organizations throughout the country whose activities were concentrated outside of the traditional Federal poverty bureaucracy. Both Tabankin's review efforts and the Citizen Review Committee found that VISTA volunteers were commonly being used as substitute labor in libraries, government agencies, and like organizations. Efforts to aid low-income people to improve their lives had become diluted by these types of volunteer assignments.

B. ORIGINS OF THE NATIONAL GRANTS

A series of three round table discussions was held in May of 1977. The participants in these discussions included approximately 40 individuals representing over 100 grass roots community organizations and networks of organizations from across the country. They were selected because: 1) for the most part they were outside the government poverty bureaucracy, i.e. most of them had not previously had Federal funding and none of them previously had VISTA funding; 2) they each had a proven record of successful community organizing experience; and 3) they represented a wide range of community organizations dealing in innovative ways with the needs of low income people. It was out of these round table discussions that the National Grant concept evolved. The participants in these meetings agreed on the need for immediate action to infuse new life and new directions into VISTA. By providing tangible models of innovative programming and community organizing, it was decided these grants would be more effective in giving guidance to field staff than any written directive.

There are presently 12 National VISTA Volunteer Grants. These grants oversee 270 local projects in 47 states. 470 volunteers are presently serving in a variety of projects. The volunteers work in the following areas: 1) Economic Development projects which include assisting cooperatives involved in arts and crafts, credit unions and marketing, as well as other community owned enterprises; 2) Legal Rights projects addressing delinquency and crime prevention, child abuse and witness or victim assistance; 3) Health projects which provide nutrition education and advocacy for the handicapped; 4) Housing projects involving design, construction and rehabilitation, relocation of displaced persons, and tenant-landlord relations; 5) Community Services and Education projects such as consumer education and senior citizen advocacy; and 6) Energy projects involving weatherization conservation, pollution control and utility systems.

C. REPORT FINDINGS AND AGENCY RESPONSES

1. Approval of Grants

Finding: "All of the national grants approved through September 30, 1978, were awarded without formal advertising or requests for proposals. Rather, applications were informally solicited by circulating the word about the new program among community action organizations with interstate operations. Fourteen applications were received, and 12 were ultimately approved. Of those approved, six were awarded to organizations represented at the round table discussions at which the ACTION Director met with a number of nationally reputed community and social activists to discuss the agency's new directions." (p.35)

Response: There are no government regulations which require competition of program grants, nor at the time of the implementation of the new National Grants program was it a common practice in any government agency to compete such grants. In fact, ACTION had never in its entire history competed any program grants.

The Domestic Volunteer Service Act clearly emphasizes urban-rural balance and continuity of efforts as program objectives. There is no mention in the Act of competition as a preferred technique.

Given this history and the short time before the end of the fiscal year, in May of 1977 the 45 participants at the round table discussions were invited to submit proposals for National Grants. Six organizations which were represented at the round table discussions eventually received National Grants. Six organizations which were not represented at the round table discussions Federation of Southern Cooperatives (FSC), National Association of Farmworkers Organization (NAFO), Housing Assistance Council, National Council of LaRaza, National Public Interest Research Group (PIRG), and National Coalition for Nursing Home Reform, also received National Grants.

2. Competitive Grants

Finding: "Late in January 1978, a decision was made to award future grants competitively. . .implementation was deferred for 7 months and not announced in the Federal Register until October 5. In the interim (between March and October) noncompetitive awards were made to five national grantees. (p. 35) The decision to award national grants competitively was not implemented on a timely basis. The delay in making the change tends to defeat the purpose of the new policy. The policy of not competing second and third year continuation grants will serve to lock in organizations approved prior to the change and effectively minimize the number of new national grants available over the next several years.' (p. 45)

Response: As stated above, there is no requirement that grants be competed. In March 1978, the President signed an Executive Order encouraging federal agencies to award program grants on a competitive basis. In January of 1978, two months prior to the implementation of the Executive Order, ACTION decided to compete all future National Grants. At the time this decision was made, seven National Grants had been awarded and five were in advanced stages of the review process. The procedures governing competitive program bidding were developed between March and October of 1978, and became effective October 5, 1978. No grants were awarded, other than those in process, after the decision was made to compete National Grants.

VISTA fully agrees with the rationale of the President's Executive Order, believing that competition will enhance the discovery of new and high quality programming ideas to achieve its legislative mandate. This belief appears to have been confirmed. Since the publication, in October of 1978, of the notice of availability of funds for National Grants, nearly 300 requests for information and applications regarding the National Grants program have been received.

The continuation of second and third year current National Grants without competition is consistent with Agency competitive grant procedures. All VISTA projects are presently authorized on a three year cycle. The period was selected because this amount of time is regarded as reasonable for projects to achieve self-sufficiency. National Grants are covered by the same time frame. In December of 1978, renewal procedures and criteria for evaluation of second and third year National Grants were published in the Federal Register, and grants, or components under grants, which fail to adequately meet this criteria will not be renewed. After three years, all VISTA sponsors and grantees must re-compete for volunteers and grant funds. In addition, the Domestic Volunteer Service Act provides protection for sponsors who are performing satisfactorily and are denied a continuation of grant funds. If the Agency decides to deny refunding, it is obliged to give the affected grantee notice and an opportunity to show cause why the funding should be continued.

3. Poverty Guidelines

Finding: "The investigative staff visited sites throughout the United States and from observations and discussions with VISTAs concluded that nearly two-thirds of the target areas where volunteers were working would properly be classified as lower middle-income neighborhoods or better, with, possibly, pockets of poverty." (p. 36)

Response: Physical location of a project site is not the only, or even a good indicator of whether a project is accomplishing its purpose - the alleviation of poverty and poverty-related problems. VISTA constantly monitors and evaluates its projects to assure that they meet this standard.

The VISTA program does not confer benefits (e.g. welfare checks or weatherization help) on individuals based solely on income eligibility. Rather, VISTA makes it possible for volunteers to give their time and energy helping others break the cycle of poverty. In focusing on the root causes of poverty, VISTAs employ a wide range of techniques. Special attention is paid to helping the poor develop leadership skills and organizational capacity which can be used on a continuing basis to solve the multitude of problems that face poor people.

The requirement that projects have a poverty orientation does not mandate that every person participating in a project be at the bottom of the economic pile. Quite often, a coalition of low and moderate income people organized to tackle the conditions which bear most heavily on the poor is the most effective method of solving the problem.

VISTA's mandate is clearly stated by Congress in the Domestic Volunteer Service Act. The VISTA program was designed:

> "to strengthen and supplement efforts to eliminate poverty and poverty-related human, social and environmental problems in the United States by encouraging and enabling persons from all walks of life and all age groups, including elderly and retired Americans, to perform meaningful and constructive volunteer service in agencies, institutions, and situations where the application of human talent and dedication may assist in the solution of poverty and poverty-related problems and secure and exploit opportunities for self-advancement by persons afflicted with such problems." (Section 101 of Domestic Volunteer Service Act of 1973)

It has long been recognized that this mandate does not mean volunteers must work exclusively with persons whose income falls at or below the Community Services Administration poverty guidelines. The methods available to carry out the purpose of VISTA, as set forth above, are far broader. The Economic Opportunity Act of 1964, from which VISTA stems, recognized that the problems which perpetuate poverty are varied and complex. It authorized and endorsed a multi-pronged approach to these problems, requiring only that the major benefits of projects must accrue to the poor and that the poor must play a significant part in determining the need for and the direction of the project.

The vast majority of VISTA projects involve and directly serve poor people. All VISTA projects are designed to have a major effect on the conditions which cause and perpetuate poverty. The investigators apparently discount a comprehensive evaluation of VISTA conducted by ACTION's Office of Policy and Planning/Evaluation which found VISTA to be increasingly effective in achieving its mission.

4. VISTA Grant Criteria

Finding: "The VISTA policy guidelines spell out criteria to be used in selecting sponsors. The investigative staff found many instances of grantees or local sponsors failing in some part to meet these standards." (p. 35-36) Examples cited:

(1) Many organizations will not become self-sufficient and will need a full-time organizer after VISTA support is withdrawn;

(2) Projects lacked measurable goals.

Response: VISTA policy guidelines are standards by which the effectiveness of program design and implementation can be measured. Such criteria are not the equivalent of statutory requirements against which each project must be measured, with each failure to meet the criteria being counted as a violation of law.

The VISTA criteria have as their purpose defining the type of projects ACTION believes will best fulfill the program's legislative mandate cited in the previous response.

A project that will:
(1) involve the poor in a dialogue in their community, the purpose of which is to identify the problem with which they are faced as a result of their poverty;
(2) develop poor people's potential for leadership and self-reliance in the process of correcting the problem(s) identified; and
(3) lead to a tangible, longterm life condition improvement for those affected;
is in compliance with the criteria.

Any project that:
(1) increases the dependency of the poor on others;
(2) deals with a symptom (e.g., lack of high school diplomas among great numbers of poor people) as opposed to the problem (e.g., the causes of the high school drop-out rate or the lack of a community supported General Education Degree program); or
(3) fails to involve community residents in a way which helps them see and act on their responsibility to themselves and their neighbors;
is not in compliance with VISTA criteria.

The VISTA criteria require that all VISTA projects support citizen participation organization building efforts aimed at ameliorating the condition of poverty. This is no requirement that volunteers engage in community organizing. It is consistent with the criteria, for example for a volunteer to be engaged in fund-raising activities geared towards creating a community development corporation as long as poor people have identified the need for the organization and will directly be involved in and benefit from it once it is established.

VISTA criteria require that poor people:
(1) be involved in the development of the project;

(2) be an integral part of the body that directs the nature and scope of the project once it is implemented;
(3) realize the major benefit from the project.

Such criteria do not mandate that only poor people be involved in and benefit from the projects VISTA supports.

VISTA criteria are used to inform potential sponsors of the kinds of problems VISTA projects are expected to address and are intended to act as a guide to ACTION program staff in the project selection and monitoring process. It would be unrealistic to expect that all VISTA projects from their inception will be fully developed models of the VISTA criteria. If all new VISTA projects fully met all the VISTA criteria, there would be no need for the services of the volunteers. Achieving the goals of the project is the process in which the volunteers participate. Goals that have as their focus the elimination of poverty are not easily achievable; they must be struggled for constantly.

The report concluded that when VISTAs are building organizations from scratch, and where the organizations will always need the services of a full-time organizer, then the VISTAs are not building local self-sufficiency.

Self-sufficiency means that the membership and leadership of the organization have the ability to evaluate the need for staff and to obtain the resources to meet that need. Volunteers participate in that task. Achieving self-sufficiency after only a few months of organizing a project would be an unrealistic goal. The organizing process is intricate and time consuming. VISTA assumes that most projects will require up to 3 years of VISTA support before they become self-sustaining. It is true that a project may always require a full time organizer. However, VISTA strives to leave the project in the hands of community members; directed and organized by community members.

5. National Grant Volunteer Costs

Finding: "As a result of policy waivers on costs the average unit cost per VISTA volunteer on national grants is now $6418 as compared with an average unit cost of $5748 for a standard VISTA." (p. 37)

Response: After evaluating the training provided VISTA volunteers, the new administration determined that the training previously provided VISTAs needed to be supplemented. The additional costs for a National Grant VISTA cover the increase in training, technical assistance, and administrative costs (staff travel, recruitment, payroll) normally handled by ACTION. The increased training provided under the grants formed the basis of the standard VISTA training model to be implemented in 1979 for all VISTA volunteers. In FY '79 standard and National Grant costs per volunteer will be about equal.

6. Policy Waivers

Finding: "In August of 1977, waivers were also approved to relax the requirements for proof of incorporation as a nonprofit organization. As a result of these waivers, all of the umbrella organizations to whom national grants were awarded were registered with IRS, but a number of the local sponsors were never incorporated as nonprofit organizations. These organizations would ordinarily have been ineligible for a VISTA grant." (p. 38)

Response: Only Internal Revenue Service certification of tax exempt status was waived for National Grantees. The Community Organization Research Action Project (CORAP) was the only grantee which did not have IRS certification of tax exempt status. All ACTION National Grantees must be and are incorporated as nonprofit organizations prior to receiving grants. Local components of the National Grantees have never been required by statute or ACTION policy to be incorporated, but must submit proof of nonprofit status. All local components under the National Grants submitted such proof. Proof of incorporation and Internal Revenue Service certification of tax exempt status for grantees is required by internal ACTION directives and is not a statutory or regulatory requirement. All National Grant projects were fully reviewed and cleared by the Office of General Counsel.

Finding: "In August of 1977, waivers were approved to set aside the requirement for on-site visits prior to grant award. The error of this decision is best reflected by the problems at the local level." (p. 38)

Response: Normally, ACTION program officials responsible for the managing of projects make on-site evaluations prior to project approval. In order to conserve funds, waivers were granted in a limited number of cases. In lieu of sending national program officers to 270 project sites, State Directors were requested and did make on-site visits and submitted recommendations on local components to the Project Review Board.

7. State Director's Recommendations

Finding: "The investigative staff found that State Directors recommendations were often overruled by either the PRB or the VISTA director. Most State directors stated that once their comments were in, they were not again approached about the merit of the Grant." (p. 38)

Response: State Director comments were requested and fully considered by the Project Review Board, and in some cases components were disapproved as a result of these comments. In other cases, local components submitted additional information to the Project Review Board or made changes in their proposals as a result of State Director comments. This is a normal procedure. Due to the newness of the National Grants program and the pressures of the workload, communication between the National Grants office, the Project Review Board, and the State Directors occasionally broke down, and information as to the status of components and supplemental data supplied was not always exchanged. Once these difficulties were recognized systems were implemented to provide a better flow of information between ACTION State Directors and the VISTA National Grants office.

Finding: "One [State Director] stated that he had been passed over for promotion twice as a result of disapproving a national grant sponsor." (p. 38)

Response: The State Director's allegation is untrue.

Finding: "Some of the sponsors under this grant [NCUEA] were recommended for disapproval by both the State Director and the PRB, but based on personal meetings between the VISTA director and the sponsor's staff, the projects were approved. The last word in approving a grant is undeniably the VISTA director's responsibility. However, if the director makes a practice of arbitrarily overruling the recommendations of the staff and other agency personnel, the procedure raises some question about the value of having an elaborate approval process." (p. 38)

Response: It is the policy of VISTA to request and fully consider the recommendations of the Project Review Board and State Directors prior to approving individual projects. In this particular case the investigators did not request the VISTA Director to explain what occured at the meeting between the grantee and VISTA personnel. The grantee argued for each of the seven disapproved components to the VISTA Director, Project Review Board chairperson, and grant project manager and provided supplemental information to meet the objections of the Project Review Board and the State Directors. In two cases, the disapproval was confirmed. In three cases, Office of Policy and Planning/Evaluation staff members made field visits to gather more information. In four cases the VISTA Director approved the projects. There are no other cases with respect to this grant, where the Project Review Board and State Directors were overruled by the VISTA Director.

8. Training - National Grant Volunteers

Finding: "In support of the National grants program, ACTION has contended that national grantees are capable of providing better training for VISTAs than the training provided by the agency. Based on observations and discussions with field personnel, the investigative staff believes this contention is, at best, debatable, and, at worst, possibly in error." (p. 39)

Response: An Office of Policy and Planning evaluation of the National VISTA Grants showed a substantial difference in the volunteer perception of the adequacy of training of National Grant volunteers as compared with standard VISTAs. 75% of grant volunteers rated pre-service training good or very good as compared to only 45% of the standard volunteers. For in-service training, 82% of grant volunteers as compared with 69% of standard volunteers rated it good or very good. This marks the first time in recent evaluation surveys that volunteers have shown an increase in satisfaction with training.

[Overall] Finding: The amount of training provided varies widely among the grants and within each grant. (p. 40)

Response: The variance exists and it is planned. The implied conclusion, that a variance equals a lack of effective training, does not follow. The nature of training under each grant reflects the varying models of training used by each grantee. Midwest Academy concentrates on generic community organizing, while the Federation of Southern Cooperatives focuses on very specialized co-op/credit union training. Variation in training among grantees also reflects differences in types of volunteers, in logistical arrangements (i.e., feasibility of having a national training session as opposed to training in small clusters in several locations). Variation in training within grants is also related to the nature of volunteer assignments. For example, fund raising training sessions are shorter than community organizing sessions.

The variations in training in the case of the National Grants are for the most part a reflection of the improved strength of the training. Rather than having one standard course for all volunteers, sessions are designed around the needs of the volunteers and the projects to which they are assigned.

Finding: "Only CORAP, Midwest, PIRG, and NCUEA had provided in-service training. . . In-house VISTA training provides for in-service sessions only when requested by the sponsor." (p. 40)

Response: All National Grantees provide in-service training, although not always at ACTION expense. In-service training is often conducted on the project site rather than in a formalized setting. The Office of Policy and Planning evaluation survey found 82% of VISTA National Grant volunteers pleased with in-service training.

Finding: "At the Midwest session [attended by the investigators] some of the handout material contained statements and language which could be construed as inflammatory. This document was made available to VISTA volunteers, presumably, a recommended reading. . . The Congress may wish to consider if the above philosophy for training VISTA volunteers is in keeping with the intent of the legislation which authorized the program." (pp. 40-42)

Response: VISTA ordered Midwest to discontinue the use of this material in future VISTA training. VISTA does not endorse the strategy and tactics of the quoted sections of the training material. ACTION officials were unaware such material was included as part of the training materials made available for VISTAs. All future training material will be closely evaluated to make certain such material is not included.

The Midwest Academy is nationally recognized for the quality of its training. The investigators themselves comment favorably on the quality of Midwest training sessions (see p. 62 of the report). The Midwest materials extensively cover successes, failures, and strategies of different organizing periods. The documents distributed to VISTA volunteers contain the following disclaimer:

> "Examples in this article intend to describe direct action organizing and how it can be used to fight sources of poverty. People working for government agencies, such as VISTA volunteers, need also to follow agency guidelines when selecting strategies."

VISTA volunteers are provided training regarding the prohibitions on restricted activites and the prohibitions are outlined in the VISTA Handbook, distributed to all volunteers. In addition, as part of the training sessions, Midwest volunteers receive instruction, as do all volunteers, regarding activities in which they are prohibited from engaging.

Finding: "Midwest was awarded a grant of more than $500,000 to train volunteers." (p. 42)

Response: The Midwest grant provided training, support, supervision, and monthly stipend for 88 volunteers. Approximately 70% of the grant funds go directly to the volunteers for their support and training. Unlike most grants, VISTA National Grants do not provide funds for overhead or indirect costs. Such costs are absorbed by the grantees.

Finding: "The casual approach to training also makes it difficult to evaluate its importance. Most of the sponsors require volunteers to take preservice training, but Midwest and NCUEA did not. At the Midwest session attended by the Investigative Staff, the organization informed all VISTAs in the area that 2 days of training would be provided in Boston on specified dates. It was then discretionary with the VISTAs to decide whether they wanted to come and how to get there. The Investigative Staff also found that many NCUEA volunteers had missed training sessions without any opportunity or apparent need for making them up." (p. 42)

Response: All Midwest and National Center for Urban Ethnic Affairs volunteers were required to attend preservice orientation. (Some NCUEA volunteers missed sessions due to inclement weather.) The Midwest training session attended by the investigators was in-service training. Not all volunteers needed to attend the in-service sessions since not all of the volunteers were assigned to projects which related to the particular content of that session. NCUEA training sessions have been found by VISTA to be too numerous (8 sessions over 12 months of service), placing too much of a burden on volunteers. NCUEA's renewal application calls for one preservice training session and three in-service training sessions. This change is in response to volunteer and sponsor criticism. The facts do not support the conclusion in the report that the grantees have a casual attitude toward training.

Finding: "The contention that national grant sponsors or other outsiders can provide better training than agency staff was strongly disputed by regional training officials with whom the issue was discussed. They also believe that in-house training is less costly. . . . All of these officials served with the agency in the past when training was contracted out and were familiar with the past costs and quality of the product." (p. 42)

Response: The Citizen Review Boards established by the current administration were highly critical of ACTION training and training curriculum. Volunteer evaluations for years have shown a decline in respect for Agency training. Regional training staff employees had disappointing experiences with contract training since many of the previous training contractors were corporate consulting firms with no link to the poverty community. The previous contract training is not comparable to either the National Grant training or the Agency's proposed training for standard VISTA volunteers. While VISTA sympathizes with the concerns of the training staff employees, it believes that evidence clearly called for a change in the method of training delivery.

9. Restricted Activities

Finding: "A combination of poorly trained supervisors and inadequate monitoring by ACTION has resulted in VISTAs becoming involved in restricted activities." (p. 42)

The restricted activities listed in the report were:

(1) CORAP - In Louisiana, five volunteers working with a project organizing domestic workers; (p. 53)

(2) CORAP - In Arkansas, one volunteer, on one occasion, distributing political leaflets and one volunteer, on one occasion, scheduling appointments with candidates for elective office; (p. 52)

(3) CORAP - In Missouri, volunteers driving people to the state capitol in Missouri to lobby; (p. 52)

(4) Midwest - In Rhode Island, two volunteers working to organize jewelry workers. (p. 64)

Response: All of the prohibited activities detailed by the investigative report, except number (2) above, were discovered by ACTION through its monitoring procedures and appropriately handled by ACTION.

Adequate monitoring procedures were set up at the commencement of the National Grants to ensure that each grant was functioning within VISTA legislative and programmatic requirements. Grantees are required to submit quarterly reports to the VISTA program office and ACTION State and Regional Offices reporting on the work of each VISTA and the progress of the project. State Directors make site visits and report to the VISTA program office. In addition, a combined fiscal and program audit of each grantee during its first year of operation was scheduled by the Office of Compliance. To date, three audits have been completed (Community Organization Research Action Project, Midwest Academy, and Federation of Southern Cooperatives). Finally, the Agency's Office of Policy and Planning/Evaluation Division performed an exhaustive volunteer survey of the National Grants which involved sending questionnaires to all National Grant and standard volunteers and making field visits to 37 grant components.

In their analysis, the investigators report statutory activities violations with violations of VISTA policy guidelines. In the case of volunteers performing what appear to be staff functions, a potential violation of a VISTA policy guideline is raised, not a statutory violation. Such issues are fundamentally different and should not be reported in the same category.

Regarding the Community Organization Research Project (CORAP) allegations, the labor organizing and political activities were discovered and handled through the Office of Compliance audit. The VISTA program office first informed the Office of Compliance of the labor activity, and requested an investigation. The investigation showed that five VISTAs assigned to CORAP were involved in organizing activities for the Household Workers Organizing Committee. These activities consisted of recruiting household workers for a membership meeting. A legal opinion regarding the activities of the VISTAs was requested from the General Counsel who concluded that the volunteers were engaged in labor organizing in violation of the Domestic Volunteer Service Act, a position which the grantee disputed. The Office of Compliance promptly issued a cease and desist order with which the grantee complied. The political activities were examined extensively in the Office of Compliance audit report, and the report served as the basis of a long series of negotiations which resulted in a decision that the grantee would separately incorporate and separately finance its political action committee to prevent volunteers from supporting or becoming identified with political activity on behalf of candidates for office. Prior to the issuance of the audit report, ACTION and CORAP agreed that CORAP would take steps to ensure a complete separation between CORAP's political activities and VISTA Volunteer activities including the collection of membership dues.

Regarding the allegations of delivering campaign material and scheduling appointments with candidates which were discovered by the investigators, ACTION has learned that on one occasion, when a CORAP employee who regularly picked up such literature did not show up, a VISTA volunteer did, as a favor, deliver the pamphlets to another employee while the VISTA was on his way to another activity. He did not bring the matter to neighborhood group leaders for further distribution as stated in the report. The scheduling of appointments for ACORN's political committee was only done once, at a night meeting, by one VISTA volunteer. It was not a routine, nor a major part of the VISTA's work. VISTAs should not have been involved in these activities and the Agency does not condone or encourage these activities on the part of these two volunteers.

Regarding the volunteer lobbying allegation, the Agency was informed that a volunteer did, on one occasion, drive a group of elderly, low-income, community residents to the state capitol in order for them to express their opinions to legislators on a bill regarding generic drug labeling. The VISTA did not testify or in any way participate in the activities at the state capitol. Nevertheless, when the incident was reported to the Missouri State Director, she ordered the grantee and the volunteers to discontinue such activities to avoid the appearance of improper conduct.

It should be noted that all of these activities occurred with one grantee (CORAP), were all, except for the Arkansas incident, identified by ACTION monitoring procedures; and were appropriately handled by the Agency. The VISTA grant system is fallible, but ACTION has built-in management tools to detect and deal with problems and infractions as they arise.

The only other violation reported by the investigators was also discovered at the time of an Office of Compliance site visit. After visiting a component of the Midwest Academy, Rhode Island Workers Association, Agency investigators asked the Office of General Counsel whether certain volunteer activities at the project violated statutory restrictions on labor organizing. The Rhode Island Workers Association had been assigned two volunteers under the Midwest National VISTA Grant. One of these volunteers was working on a project with the

Jewelry Workers Organizing Committee (JWOC) in which he wrote a newsletter with articles critical of working conditions in the jewelry industry and distributed it at jewelry plant gates and at the unemployment office. The majority of the volunteer's time was spent answering telephone calls and helping low-income persons with food stamp, health care, and related problems. The General Counsel found that the volunteer's activities with the JWOC were prohibited and the Office of Compliance immediately issued a cease and desist order with which the grantee complied.

On the whole, ACTION's monitoring efforts have been thorough and effective. There is room for improvement in State Director involvement in performing on-site visits and developing working relationships with the local grant components. This management problem is being addressed by the National VISTA program office.

10. State Director's Reservations

Finding: "All of these officials [State Directors and program offices in 12 states] had reservations about the national grants program. All gave the impression that better control would have been exercised over local sponsors if they had come through the normal State process and that fewer problems such as the union organizing and political activity violations would have developed." (p. 43)

Response: The purpose of the National Grants program was to demonstrate the new directions for VISTA by providing examples of creative programming. Many of the local projects selected under the National Grant program had never received federal assistance prior to their association with this new program. National Grants provided a means for new groups to implement new programs intended to break the cycle of poverty in their communities. Initial reservations about new programming are understandable and expected. When VISTA, during the previous administration, was winding down its activities in anticipation of ending the program, State Directors became more and more accustomed to placing volunteers in staff positions, libraries, social service agencies, etc. With the new administration and a change in direction, some initial uncertainty was experienced in field offices. Now that National Grants are in place, State Directors are able to play greater supervisory and monitoring roles with regard to the projects. Many of the State Directors are recommending approval of projects which a year ago they recommended for disapproval. In several cases, State Directors have approved some of the National Grant components as standard VISTA projects.

11. VISTA Self-evaluation

Finding: "The investigative staff is dubious about the validity of using an evaluation based almost wholly on perceptions of those involved as a measure of overall program effectiveness." (p. 45)

Response: The VISTA evaluation performed by the Office of Policy and Planning which was published and distributed to the public is a thorough and professional evaluation and is a useful tool for measuring overall program effectiveness. The evaluation team sent questionnaires to all standard and grant volunteers and supervisors. The team made site visits to a random sample of 37 grants and 70 standard projects. The evaluation team interviewed 386 volunteers, 107 supervisors, and 96 community leaders/advisory board members, to validate volunteer and sponsor questionnaire responses. The VISTA evaluation was therefore based on data from a number of sources, including, but not limited to volunteer opinions.

The evaluation concluded that National Grant volunteers were more frequently addressing goals dealing with skill and leadership development among the poverty community than standard VISTA volunteers. These results demonstrate that the new VISTA guidelines are being implemented by the grant projects, although not by all projects to the same degree and not by all volunteers in these projects. The evaluation team found a strong beginning, with room for improvement.

The National Grants achieved their original purpose of providing tangible models for the new programming directions, but they have met normal VISTA evaluation requirements. In addition, they have added a substantial number of innovative poverty oriented projects which would not have become part of VISTA without the National Grants program.

D. INDIVIDUAL NATIONAL GRANTEE FINDINGS

1. NATIONAL CENTER FOR URBAN ETHNIC AFFAIRS

a. Introduction

The National Center for Urban Ethnic Affairs (NCUEA), a national nonprofit organization, was established in 1970. Its goal is to provide assistance to the poor in meeting neighborhood revitalization needs and to promote multicultural pluralism in the United States. NCUEA focuses on citizen involvement through over 150 neighborhood organizations which work for social, physical, and economic development.

People of many races, ethnic backgrounds, and economic classes find themselves powerless in the battle to save their neighborhood and improve their quality of life. A cause of this condition is the insufficient number of effective neighborhood organizations. NCUEA has an eight year history of commitment and assistance to neighborhood groups which have organized around specific problems. Their organizing efforts have contributed to alleviating poverty conditions.

Problems common to neighborhoods in which NCUEA is involved are abandoned and deteriorating housing, crime, redlining, service delivery, and lack of concern for senior citizens. While many individual grassroots groups have effected change on these issues, the concentration of wealth and centralization of decision-making in modern society indicate a need for broad-based efforts to solve local problems.

NCUEA firmly advocates coalition building within cities and across the country. By-products of coalition building are the reduction of racial and ethnic tension within neighborhoods, and a building of trust through mutual self-interest and common experience.

The NCUEA grant covers fourteen states and the District of Columbia. They are: New York, New Jersey, Massachusetts, Rhode Island, Connecticut, Maryland, Pennsylvania, Delaware, Michigan, Ohio, Kentucky, Illinois, Indiana, and Louisiana.

National Center for Urban Ethnic Affairs was awarded a VISTA national grant, #131-0004/1, on November 29, 1977. The amount awarded was $500,106 for a budget period of 11/25/1977 to 01/31/1979, which includes 75 volunteer service and 100 training entries.

b. Report Findings and Agency Responses

(1) Recommendations for Sponsor Disapproval Overruled

Finding: "ACTION State Directors and the Project Review Board recommended that several sponsors be disapproved from participation in the project (NCUEA). Their recommendations were overruled and the sponsors allowed to receive VISTA Volunteers...on the basis of either the submission of additional information by NCUEA, meetings between the director of VISTA and the prospective sponsors, or site visits by VISTA personnel." (p. 66)

Response: Part of the reason for initial State Director disapproval of some of these sites was the local projects' unfamiliarity with and/or lack of ability to describe the goals they wanted to accomplish and the demographic characteristics of their neighborhoods. This was the first time that these neighborhood groups had applied for VISTA Volunteers and the first time that they encountered ACTION program application documents. NCUEA has provided technical assistance to these sites throughout the year, improving their ability to report quantified data on their work and to provide current demographic statistics on their "target" areas. A review of the ACTION Quarterly Program Reports throughout the first year and their proposals for the second year indicates great improvement in describing their project, in accordance with prescribed ACTION regulations. The New York ACTION office has approved all three of the New York City sites--Interfaith Adopt-A-Building, Neighbors of Greenpoint/Williamsburg, and Service Through Organized People--for a second year renewal which were initially disapproved by that office.

Of the eight components disapproved by the PRB, six ultimately received Volunteers. Two of the six were visited by an ACTION/Office of Policy & Planning evaluator who determined that the projects met VISTA's program criteria. The other four components submitted additional information which satisfied the Project Review Board Chairperson, Grant Project Manager, and the VISTA Director that they conformed with VISTA's program criteria. Two components of the six which had received Volunteers are not being included in the second year renewal (one is receiving VISTAs from the State Office). The other four were all recommended for renewal by the State Directors.

(2) Inadequate Living Conditions During Training

Finding: "Most Volunteers with whom the Investigative Staff spoke voiced no objection to the living conditions or meals at the training sessions; instead, most seemed to have enjoyed themselves. However, several Volunteers were upset by the frugal living conditions. During the training sessions, the VISTA Volunteers were required to stay at quarters lacking privacy or adequate toilet and bath facilities.... Several Volunteers told the Investigative Staff they had missed training sessions rather than put up with the inadequate accommodations." (p. 68)

Response: The session cited in the report is an exception to the overall acceptable accommodations that are provided to VISTAs. Most host sites provided either dormitory-style housing or housed the VISTAs in the homes of staff of the local organization. These arrangements proved satisfactory for the majority of the VISTA Volunteers. In 1979 NCUEA will arrange for dormitory-style accommodations at all training sessions, utilizing churches and colleges if possible.

It appears that the primary cause of absenteeism from training was the frequency of the training sessions (discussed below), rather than the living accommodations.

(3) Need for Measurable Goals

Finding: "The goals and objectives set forth in the local sponsors' project narratives are expressed in such general terms that it is impossible to evaluate what, if anything, is being done to accomplish them." (p. 69)

Response: As noted previously, the lack of experience of the local project sites with ACTION's program documents and requirements was primarily responsible for the lack of measurable, time-phased goals and objectives in the initial project narrative submissions. During the course of the first year of the grants operation, local sponsors used the Quarterly Program Reports to refine and quantify their project goals and objectives. Project narratives submitted by the local sites for the second year renewal application show a marked improvement in this area. Of the 32 local project components requesting Volunteers under the second year application, only two have received negative recommendations from ACTION State Directors.

NCUEA Regional Supervisors, who will visit each project site in their region at least eight times during 1979, will work with local sponsors to assess productivity of the VISTAs in relation to measurable goals. The Supervisors will also assist the sponsor in modifying goals and objectives and set time frames if necessary as the project evolves.

(4) VISTAs Working in Nonpoverty Areas

Finding: "A number of the VISTAs under the NCUEA grant are not working in predominantly low-income communities and serving the needs of poor people. The Investigative Staff visited 13 of 39 NCUEA sponsors and active programs. From observations of the neighborhoods and discussions with the VISTAs and project supervisors it is estimated that at least 7 of these 13 projects are aimed mainly at lower middle-income communities which may have some scattered poverty-level pockets." (p. 70)

Response: Many NCUEA project sites do not work exclusively with low-income people nor are they required to by VISTA's legislative mandate. (See Response on p. 30 of this report.) VISTA's mandate means that the major benefits of a project must accrue to the poor and that the poor must be a significant part of the project's processes.

In the highly urban areas covered by the NCUEA grant, few neighborhoods are comprised solely of families whose incomes fall below the Community Services Administration poverty guidelines. The NCUEA sites recognize the importance of building coalitions of low and moderate-income citizens in order to provide both groups an effective voice in the decision-making processes which affect their lives. Such coalitions will enhance the dignity and self-esteem of low-income people and will provide a greater impact on their community and their lives.

(5) Questionable Need for Nine Training Sessions

Finding: "Many Volunteers missed one or more [of the nine required] training sessions without any opportunity or apparent need for making them up...it appears that NCUEA is holding too many training sessions." (pp. 70, 71)

Response: NCUEA's survey of Volunteers and supervisors regarding their assessment of training during the first year of the grant's operation indicated dissatisfaction with the frequency of training sessions. Many volunteers found it difficult to be away from home and/or project as frequently as required by NCUEA.

In order to reduce absenteeism, NCUEA informed all VISTAs in August 1978 that attendance was required at all training sessions. If any sessions were missed, the Volunteers were required to attend a make-up session at another location. At least 10 VISTAs attended such sessions.

In response to its evaluation, NCUEA intends to hold only four training sessions of two and one-half days each, including pre-service orientation, in its second year of operation. Make-up sessions will be required of VISTAs who miss the sessions.

(6) Attrition Rate Excessive

Finding: "During the first ten months of implementation of the grant, 40, or 38 percent, of the volunteers recruited left the project." (p. 72)

Response: ACTION and NCUEA share the investigators' concern about the attrition rate under this grant. In an effort to reduce the attrition rate, NCUEA examined two groups of terminating VISTAs: those who terminated prior to completion of four months of service and those who terminated after four months.

Lack of sufficient time to recruit explains much of the attrition in the first four months. Some recruits were not informed of the long hours required of an organizer, while others were not told of the necessity to travel to training sessions. A combination of other factors contributed to early terminations after four months of service--health and financial reasons, opportunities for full-time, salaried community service positions.

NCUEA is taking the following steps to prevent high attrition in the second year of the grant's operation:

- additional recruitment time and specific recruitment materials;
- coordination of all recruitment efforts by an NCUEA staff person;
- explanation of the personal demands of being a community organizer;
- facilitation of college credit for NCUEA/VISTA service through the Campus Free College.

It should also be noted that although the attrition rate has been a concern under the NCUEA grant, approximately 25 of the remaining 55 VISTA volunteers under the grant are planning to reenroll for a second year of service.

2. NATIONAL PUBLIC INTEREST RESEARCH GROUP CLEARINGHOUSE

a. Introduction

National Public Interest Research Group Clearinghouse provides support and coordination to a network of Public Interest Research Groups (PIRGs) which now exist in 30 states. National PIRG Clearinghouse is a nonprofit tax-exempt corporation, directed by student representatives from 18 member PIRGs, and is funded by membership contributions from the individual state organizations.

Each state PIRG is an autonomous, nonprofit corporation, financed primarily by students at colleges and universities where PIRG chapters have been established. Each is governed by a Board of Directors made up of student representatives from the participating campuses.

All PIRG projects deal with the problems of inequities in the marketplace, health and safety dangers in the work-place or environment, and discrimination against classes of individuals. Many are aimed at specific problems of the poor, elderly and people on fixed incomes. PIRGs not only work to solve these problems, but involve citizens in the process of solving the problems that affect the poor. In this way, citizens learn leadership and advocacy skills while working with the PIRG to solve particular problems.

Public Interest Research Group was awarded a VISTA national grant, #131-0005/1, on December 16, 1977. The amount awarded was $342,149 for a budget period of 12/19/1977 to 02/18/1979, and includes 53 volunteer service years and 60 training entries serving on 17 projects in 15 states.

b. Report Findings and Agency Responses

(1) Poverty Orientation Doubtful

Finding: "The investigative staff visited New York PIRG headquarters and three work sites for volunteers assigned to the organization. At best, the Investigative Staff found only one of the sites to be obviously depressed and low income." (p. 73)

Response: As noted in the Investigation Report, prior to receiving the National VISTA Grant from ACTION, Public Interest Research Group efforts were aimed at benefitting the general public and not specifically the poor. The National Grant was awarded to PIRG because of its commitment to involve the already-established nationwide PIRG network and resources in support of low-income, community-based groups.

As was noted previously in this response at page 30 , physical location is not the only or even a good indicator of whether a project is accomplishing its purpose--the allevation of poverty and poverty-related problems.

The intent of the Small Claims Court project visited by the investigators is designed to increase the use of the court system by low-income consumers, many of whom are unfamiliar with the availability and procedures of Small Claims Courts. For this reason, the lower East Side of Manhattan was chosen as the project's "target area"; it has the second highest level of poverty in the Borough after Harlem. The ACTION State Office has recommended approval of this project component for a second year of operation.

At the time of the investigators' visit to the neighborhood revitalization ("redlining") project in the Bronx, three volunteers were involved in research to determine the impact of financial disinvestment on low-income neighborhoods in Bronx. Based upon the completed research, the second year renewal application identifies three neighborhoods in the Bronx which the project proposes to focus on during the coming year. The VISTA Grant Project Manager and ACTION State Officials have reviewed the project proposal and the additional demographic information requested on the neighborhoods and have determined that the number of low-income residents has been provided. The 1979 Project Review Board, as well as ACTION State Officials, are now satisfied that the targeted neighborhoods do, in fact, have substantial levels of low-income residents.

The Albany project components, dealing with property tax assessments and small claims court assistance, mentioned in the report have been dropped from the second year renewal application.

(2) Issues Not Established Locally

Finding: "ACTION policy provides that community organizations approved for placement of VISTAs should determine for themselves the issues important to the group and on which to focus their time and resources. Under the PIRG grant, issues are not decided on this basis. New York PIRG officials advised that its board of directors, which is elected by the total membership, develops policy and establishes the issues (redlining, small claims, property tax, etc.) around which the local affiliate groups are then expected to organize. The local groups do not have their own policy-making bodies such as an advisory council or a board

593

of directors. Rather, they have steering committees which develop the tactics and strategies to carry out State policy." (p. 74)

Response: New York Public Interest Research Group (NYPIRG) is a statewide organization which requested VISTAs for projects in several cities. These projects focused on broad issues which are of general concern to both low and moderate-income people. NYPIRG consulted with local community groups, e.g. Community Action Agencies, Legal Services programs, grassroots community groups, in developing the initial project proposals. After the VISTAs were assigned under the grant, they worked with local steering committees made up of neighborhood residents to determine the specific problems and strategies to be used in each community. This procedure is in conformance with ACTION policies which require that a substantial number of low-income people be involved in the organization and implementation of a VISTA project.

(3) New York PIRG and Lobbying

Finding: "While New York PIRG supports an active lobbying program at the State level, there is no evidence of any direct VISTA involvement in the effort. The Investigative Staff suggests, however, that there may yet be some question about the propriety of assigning VISTAs to organizations which among other activities, lobby for special interest legislation. By adding to the manpower resources of such groups, ACTION enables the organization to divert more staff to higher priority projects which may well include legislative lobbying. Thus, the availability of a VISTA may facilitate the performance of a restricted activity, even though the volunteer has no direct involvement in it." (p. 75)

Response: The ACTION policy regarding lobbying does not prohibit VISTA Volunteers from being assigned to organizations that engage in lobbying activities. It does require that the assignments of Volunteers must be completely separate from other activities carried on by the organization which are prohibited.

As noted in the Investigation Report, there is no evidence of any direct VISTA involvement in NYPIRG's lobbying efforts. In view of the legislative prohibition on volunteer displacing employed workers, the speculation that VISTAs may replace PIRG staff members who then can work on lobbying issues is remote. This allegation is unsupported by any factual material.

3. NATIONAL COUNCIL OF LA RAZA

a. Introduction

The National Council of La Raza (NCLR) was formed to address the problem of poverty created by a lack of strong Hispanic organizations and a lack of consciousness among local Chicano/Hispanic community groups. La Raza works to mobilize community residents to solve problems using local leadership to implement local solutions.

According to La Raza, this lack of organizational strength contributes to Hispanics being denied equal opportunity in education, income, jobs, and justice. NCLR has determined that education is critical to improving systems that affect their lives.

During its early years, NCLR focused on creating community groups and reinforcing existing groups and presently has 106 affiliated community based organizations in five states including Texas, New Mexico, Arizona, California, and Kansas. In recent years, La Raza has focused its effort in two areas: (1) education of both youth and adults, and (2) economic development.

La Raza was awarded a VISTA national grant (#131-0009/1) on April 3, 1978. The amount awarded was $265,266 for a budget period of 4/3/78 to 6/2/79, including forty (40) volunteer service years and forty-nine (49) training entries for assignment in the states noted above.

b. Report Findings and Agency Responses

(1) Undue and Unnecessary Delay

Finding: "The president of the NCLR complained to the Investigative Staff about the extended delay before the organization's grant application was approved. Review of the file indicates the delay was mainly attributable to the generally poor quality of the project proposals, some of which had to be resubmitted several times to clarify problem areas, identify goals and objectives, and better describe how VISTAs were to be used." (p. 76)

Response: The delay in funding the National Council of La Raza (NCLR) grant was due, in large part, to the varied quality of the individual component proposals as well as to differences in levels of "sophistication" among the local organizations. NCLR provides assistance to and support for member organizations but allows local organizations to develop their own planning processes and programs. NCLR provides leadership in order for community affiliates to gain confidence in their ability to solve problems, but does assume a lead role in handling project development. NCLR feels that its process, though often longer and more frustrating, is ultimately a more effective approach to community organization and development.

ACTION provided direct technical assistance to the NCLR local affiliates in developing their project proposals. After reviewing the first submissions of the proposals, the VISTA Grant Project Manager requested the ACTION State Offices in California, New Mexico, Arizona, Texas, and Kansas to provide on-site technical assistance to the organizations, particularly in refining the project's goals and objectives. All of the State Offices provided such assistance with some making several visits to a site. This system proved to be extremely beneficial to the local projects.

Finding: "The Investigative Staff has difficulty understanding what benefits ACTION (or Government) derived from awarding the NCLR grant to a national sponsor rather than to individual projects through regional and State offices." (p. 77)

Response: The National Council of LaRaza has a proven record in the areas of training, technical assistance, program expertise (e.g. economic and community development) and has credibility and influence in the Chicano community. It is the most eligible national Chicano organization which is capable of mobilizing resources and focusing its energies on improving conditions for Spanish-speaking people. In addition NCLR has long term, strong ties to low-income communities.

In the past Chicano groups have not fared well and have been suspicious of federal poverty programs. Without the involvement of NCLR many local components would not have sought and received VISTA volunteers.

NCLR provides the essential linkage and a communication network for all of its local program affiliates. In addition NCLR serves as a "back-up" resource for the management of the VISTA projects. NCLR trained the supervisors for the local project components and provided all trainers used in volunteer pre-service training.

(2) Poor Project Planning

Finding: "The investigative staff found little evidence of any improvement in the quality of the NCLR project proposals as a result of the prolonged negotiations preceding award of the grant." (p. 77)

Response: The lack of experience of the local project sites with ACTION's program documents and requirements and their unfamiliarity with ACTION grant criteria were primarily responsible for the shortcomings in the project proposal submissions. With the active involvement of the full-time NCLR field staff operating out of Phoenix after the grant's award, and the utilization of the Quarterly Program Report document to modify goals and objectives, the local affiliates now have useful planning and programming documents with which to manage and monitor their projects.

Finding: "The Chicanos Por La Causa project is illustrative. The ACTION State director disapproved the original proposal for, among other reasons, the lack of a clearly defined problem, the need for clarification as to what the VISTAs were to accomplish, and a concern about whether VISTA responsibilities were to be staff related." (p. 77)

Response: Chicanos Por La Causa originally developed a project work plan which required the services of five VISTA volunteers. The work plan included activities related to airport relocation and a junior college counseling program. Due to recruitment problems, the project received only three volunteers and had to adjust its program to cover only the most essential priorities as defined by the community; education, day-care, and job training.

The volunteer assigned to the education director was responsible for organizing a summer youth program. The volunteer has continued to develop recreational programs which will continue as on-going activities within the community. Upon her initial placement, the second volunteer was involved in senior citizens activities. She established rapport with the community residents and helped form several committees which raised funds for the senior citizen center. She is now organizing and developing a day-care center project for working mothers. The third volunteer is directing disadvantaged youth to a manpower project involved in job training programs.

All of these volunteers are engaged in activities which go beyond traditional staff roles. They are acting as outreach workers to link the community to necessary services, funds, and programs which are available, but often unused.

(3) VISTAs Performing Direct Services

Finding: "Two of NCLR projects visited by the Investigative Staff, involved educational components, both of which were using VISTA resources to supplement teaching staff." (p. 78)

Response: In order to organize community residents around local issues, VISTA Volunteers must first understand the community and the issues involved. In the examples cited in the Investigation Report, the school is used as a vehicle to involve the parents of the students in building a stronger community-based organization.

The VISTA Volunteer assigned to the Association for the Advancement of Mexican-Americans (AAMA), Houston, who is experienced in photography and the visual arts has motivated disadvantaged youth in the area to become interested in visual arts. By reaching the youth in school, she has also reached many of their parents who have become more involved in community projects and in the educational activities of their children.

The AAMA volunteer who has been doing substitute teaching is also developing self-expression among the youth and gaining the confidence of children in the community. The volunteer performs telephone counseling with parents and is involving them in the school's programs as well as other local issues.

The four volunteers assigned to the Guadelupe Organization, Guadelupe, Arizona are organizing parents to take over the management of an alternative community school and to initiate fund-raising efforts for the school. Thirty-five families are currently involved in running the program which serves eighty children. With the VISTAs assisting, these same parents are setting up a mental health program for the community by acquiring materials and obtaining health personnel who volunteer their time to maintain the program.

(4) VISTAs Performing Staff Work

Finding: "The VISTA guidelines provide that a volunteer cannot be used to perform staff work, but what is meant by staff work is ill-defined. The usual concept of staff work is any activity in support of an organization's primary mission, but in the overall context of ACTION jargon, it seems to mean any services not related, directly or indirectly, with organizing the poor and underprivileged to help themselves. In either case, a number of the VISTAs assigned to NCLR projects are being used improperly to perform staff-related work." (p. 79)

Response: Restrictions on volunteer assignments are governed by ACTION's legislation and VISTA program guidelines. Section 404(a) of the Domestic Volunteer Service Act limits volunteer assignments "to activities which would not otherwise be performed by employed workers and which will not supplant the hiring of or result in the displacement of employed workers, or impair existing contracts for service." None of the examples cited in the Investigation Report on NCLR project components violates Section 404(a) of the Domestic Volunteer Service Act.

VISTA's program policies and practices have further prohibited "staff" activities which are defined as clerical or administrative duties performed in direct support of an organization's internal operations. The examples cited in the Investigation Report do not demonstrate that these guidelines have been violated.

The long-range goal of the LaRaza project components is the organization of the poor and disadvantaged to help themselves according to a strategy developed by each community. This is consistent with the mission of LaRaza, as well as that of VISTA.

The volunteer assigned to the Association for the Advancement of Mexican-Americans was responsible for organizing a "world of work" class and, as a follow-up, participated in parent-youth counseling and orientation sessions to better prepare youth for permanent employment. The other volunteer organized a group of parents to deal with the problems of drug abuse; they participated in classroom-type activities as part of this process to insure the continued participation of students in the drug abuse program.

The volunteers assigned to Centro de la Raza, East Long Beach, California, are acting as links between the community and resources available for community development. The effort resulted in the implementation of a community-based Economic Development Corporation which will continue to receive some technical assistance from the volunteers.

The four volunteers assigned to towns of under 5,000 population in Arizona, New Mexico and Texas have been instrumental in organizing groups of low-income Chicano residents to identify community needs in areas of housing, job development, agricultural opportunities, and development of social programs. The volunteer in Edcouch, Texas, for example, has worked with the community to plan the development of a recreational park. The community was able, with the volunteer's assistance, to raise funds for the park's development.

These volunteers will eventually "work themselves out of a job" as the communities gain the ability to plan and develop their own resources with their own leadership. Their assignments conform to VISTA's program requirements to help develop the capacity of low-income communities.

4. NATIONAL ASSOCIATION OF FARMWORKER ORGANIZATIONS (NAFO)

a. Introduction.

National Association of Farmworker Organizations (NAFO), created in 1973, is a national coalition of farmworker-governed, community-based organizations. NAFO advocates for the protection of the civil and labor rights, and for the development of activities and programs for the benefit of migrant and seasonal farmworkers.

In 1977-78, NAFO received 2% of its income from membership contributions, 6% from other private sources, and the remainder from federal government funds.

The National Association of Farmworker Organizations (NAFO) VISTA project is designed to facilitate organizational development in migrant laborer work crews. Its major objective is the formation of farmworker governed advisory councils with self sufficient formal leadership structures.

Family work crews of migrants are excellent target groups for the VISTA project since these families travel together year after year and already have some informal governing structures. With the assistance of NAFO member groups in the home base states, NAFO will select family work crews with whom the VISTAs will be able to work for a full year. Whenever possible NAFO will recruit VISTAs from members of the crews, with a familiarity with farmworker issues that can only be gained by experience working in the fields.

These locally and nationally recruited volunteers will live, and travel, with the crews for the entire year. The goal for the project is to leave behind a functioning organization whose projects or programs were initiated by the farmworkers. Through the experience of setting up projects, the farmworkers will gain the tools needed to identify and solve basic problems on their own.

Through NAFO's nationwide network of farmworker-governed organizations, the VISTAs will be able to rely on a local group for support, information and project models. The channels of communication established between the crews and the local farmworker organizations will be one aspect of the program that will continue after the VISTAs are gone.

The VISTAs will also have access to the National Information Network, a toll free hotline which any migrant can call for information regarding their rights or local service organizations.

The NAFO Pilot Project was awarded a grant (#131-008/1) on April 28, 1978. The amount awarded was $49,775 for a budget period of 5/1/78 to 6/30/79, and including five (5) volunteer service years and five (5) training entries.

b. Report Findings and Agency Responses

(1) Initial Recruitment Unsuccessful

Finding: "Subsequent to the approval of the grant, five potential volunteers were recruited and selected for pre-service training...Three were dropped from the program...one because of a death in the family, another because of possible deportation, and the third because of a medical problem...Of the two remaining volunteers who completed training, one has since been dropped...and the other is still with the program." (p.82)

Response: Initial difficulties with sponsor recruitment of volunteers reflect the nature of problems faced by farmworkers themselves (four out of the six volunteers currently on the project are from farmworker families). In the cases cited by the investigators, for example, a death in the family caused one applicant to return home to take over family duties. Another applicant was a U.S. citizen illegally deported on his way to training because he did not know how to protect his legal rights. Another had chronic back problems due to her years of laboring in the fields. (She was subsequently cleared medically by ACTION and is now one of the six VISTA Volunteers assigned to NAFO). These difficulties in initial recruitment efforts illustrate the need for the National VISTA program and the types of problems which the program attempts to address.

Recruiting efforts were also affected, in some measure, by the lack of strong farmworker organizations in the area covered by the pilot project.

(2) Experience Limited

Finding: "The volunteer's training, taken with only one other volunteer, consisted of a day and a half in Washington, D.C., where the ACTION program manager and the NAFO project director explained the VISTA program and advised on the rights, benefits, and restrictions of VISTA service; a weekend attending a staff retreat in Chincoteague, Virginia, where the NAFO program and its objectives were discussed; and several days in Westover, Maryland, where the volunteer was introduced to a migrant camp and did some registering for a health care program sponsored by a NAFO affiliate organization in the area." (p. 82)

Response: Pre-service training was complete and appropriate for the nature of the volunteer assignments. It provided information on the rights, benefits and restrictions of being a VISTA Volunteer, on the history and background of NAFO, and an in-depth look at the local community and farmworker organization with which the volunteers would be working. Pre-service training also gave the volunteers an opportunity to work directly with farm worker families in a situation (registration for a health program) which they would encounter frequently during their year of service.

Both the recent evaluation of the NAFO grant and regular feedback from the volunteers indicate a need for additional training in community organization. This will be handled on an in-service training basis during the coming months.

Finding: "The VISTA's work with DEC [Delmarva Ecumenical Council] has consisted mainly of trying to identify migrants or other local farmworkers with a potential for leadership and an interest in being trained to serve on the DEC executive board...[this activity] goes beyond giving migrants a voice in controlling their own affairs. With enough such representation on the board, DEC would also be eligible for Community Services Administration and other funding available only to farmworker-controlled organizations." (p. 83)

Response: The activities performed by the VISTA Volunteer assigned to Delmarva Ecumenical Council go to the very heart of the National Association Of Farmworker Organization's purpose and the goal of the VISTA project. The geographic region served by this project, the Delaware-Maryland-Virginia peninsula, has few functioning programs providing support to farmworkers, although Congress has passed legislation to provide benefits such as farmworker health care, and farmworker job training. By law, farmworker controlled organizations receive preference in obtaining and administering such programs. Farmworkers have often been denied the benefits of these programs because organizations eligible to receive the resources have not existed. Helping to develop such organizations is a primary purpose of the NAFO/VISTA grant.

DEC is the only farmworker-controlled organization in the Delmarva peninsula. With the active support of the VISTA volunteer, and community members, farmworkers are now serving on the organization's Executive Board. Such efforts had previously proved unsuccessful. This project is an excellent example of successful implementation of VISTA's program criteria regarding establishment of self-sustaining, community controlled organizations.

(3) Many Questions Unanswered

Finding: "...The Project Review Board appended a number of conditions to its approval which reflected a fundamental concern about the practicability of the concept. ACTION State directors were similarly reserved in their endorsements and raised questions about whether the plan would work." (p. 83)

Response: Due to concerns about the feasibility of this project on the part of certain State Directors, the PRB and the VISTA Program Office itself, a pilot grant supporting five volunteer service years in the East Coast was funded initially on May 1, 1978. The purpose of the pilot was to work out any operational problems in the program and to test the feasibility of assigning Volunteers to a mobile work situation.

A week-long joint ACTION Office of Policy and Planning/VISTA evaluation of the pilot project was conducted in October 1978. All volunteer sites were visited and VISTAs and farmworker organization representatives were interviewed. The organizations included Florida Migrant Ministries, Apaka, Florida; Farmworker Legal Services Center, Newton Grove, North Carolina; East Suffolk Co. Farmworker Credit Union, Riverhead, New York; and DEC, Dover, Delaware. The major findings of the evaluation were that volunteer support allowances were too low, local supervisors required additional information on VISTA guidelines and regulations, and volunteers required a more systematic way of reporting demographic information to the NAFO national office. The evaluation, which recommended full funding for the project, also recommended greater emphasis on the project's overall goal of organizing self-sufficient farmworker councils.

The results of the evaluation have been shared with NAFO, and the project description was revised to meet these criticisms. The volunteer support allowances have been increased to $250/month. ACTION is augmenting the grant to allow expansion into other areas of the country.

Finding: "The Investigative Staff finds it difficult to conceive of growers being amenable to the idea of VISTA Volunteers moving in with migrant families and setting up shop, in effect, on the growers' own property to organize farmworkers, for whatever purpose. To be effective, the VISTA would not only have to keep a low profile but would have to conceal altogether his identity with a federally funded program...If VISTA volunteers have to operate sub rosa or conceal their identity as Federal workers in any way, the Investigative Staff believes that such projects should not be funded." (p. 84)

603

Response: VISTA agrees that volunteers should not operate sub rosa or conceal the fact that they are VISTA volunteers. NAFO was specifically instructed, prior to the grant award, that such concealment would not be permitted. The NAFO project is not designed to confront growers, but rather to support farmworker families. NAFO recognizes that VISTA Volunteer activities cannot disrupt the migrant work flow and is carrying out the project in accordance with that understanding.

Finding: "It is questioned [by the investigators] whether the VISTAs will be able to get meaningful guidance [under the conditions of the NAFO project]." (p. 84)

Response: Local farmworker organizations which exist throughout the area covered by the pilot project, as well as in the areas to be covered by the larger grant, are available to provide support and technical assistance [illegible] VISTA Volunteers with NAFO providing program direction through the Project Director. HOTLINE telephone contact between the volunteer and NAFO headquarters provides constant 24-hour assistance for emergencies, as well as project-related questions, which may arise. This unique feature greatly enhances the program feasibility of mobile volunteers as they travel across the country with the farmworkers.

The experience to date reflects that volunteer supervision and project direction are fully adequate. This was confirmed by the OPP/Evaluation report.

[Overall] Finding: Support for volunteers, in terms of monthly subsistence allowance may not be adequate. (p. 85)

Response: VISTA agrees with this conclusion. After visiting all sites on which VISTA Volunteers were assigned, the VISTA Grant Project Manager and ACTION/OPP evaluator recommended that increased monetary support be provided to the Volunteers by VISTA. The VISTA Program Office has raised the monthly subsistence allowance from $195/month to $250/month effective January 1979. This will ensure that all Volunteers are adequately supported regardless of variations in local living conditions within the project area. The rebudgeting will also provide for an increase in Volunteer on-job transportation support from 10 cents per mile to 15 cents per mile.

Finding: "While NAFO is not a labor organization, responsible concern has been expressed about the possibility of VISTAs assigned under the grant getting into union organizing activity." (p. 85)

Response: VISTA legislation prohibits volunteers from participating in labor organization activities. This restriction is explained in training provided to all grantees, and volunteers. Under the NAFO pilot project there has been no indication that any volunteers have engaged in labor organizing, or borderline labor organizing, activities. ACTION's General Counsel issued "Guidelines on Labor-Related Activity for the VISTA NAFO Grant," October 3, 1978 (see attachment "B") which have been distributed and explained to NAFO staff, VISTA Volunteers, NAFO affiliate organizations which will be assisting VISTAs in the field, and ACTION field staff. ACTION, as well as NAFO staff, will continue to monitor the Volunteers' adherence to these guidelines.

Finding: "NAFO affiliate organizations will play an important role in applying the [labor organizing] guidelines. The Investigative Staff understands that at least one of these organizations -- La Raza Unida of Columbus, Ohio -- provided both financial and other support to the Farm Labor Organizing Committee (FLOC) in that organization's recent effort to disrupt the tomato harvest in Ohio and organize the workers. It is difficult to conceive of a VISTA being part of such a scene without taking sides and getting involved." (p. 85)

Response: NAFO supervisors will have the primary responsibility for enforcing ACTION guidelines. VISTA expects NAFO to fully explain the statutory prohibition on labor organizing activity to affiliate organizations, and see to it that it is enforced. FLOC is not a local affiliate under the NAFO grant and there are no VISTA Volunteers assisting FLOC in any way. (There are no volunteers on the NAFO project in Ohio.) Thus, union activity on the part of FLOC has nothing to do with the NAFO VISTA project.

(4) Lobbying with Federal Money

Finding: "NAFO is registered as a lobbying organization under the Federal Lobbying Act...In the case of an organization like NAFO,... which receives over 90 percent of its funding from Federal sources, [the policy of assigning VISTAs to lobbying groups is not acceptable]. While NAFO was initially funded with private foundation money, it is now overwhelmingly dependent on Federal money for its support. The withdrawal of this support would result in major curtailment of the activity of the organization, if not mean its end. It follows that Federal money, in this case, is being used to sustain an organization dedicated (among other objectives) to influencing legislation in behalf of a special interest group." (p. 86)

Response: The statement in the Report that NAFO is a lobbying organization registered under the Federal Lobbying Act is incorrect. It has been designated as a tax-exempt organization (charitable, educational, etc.) by IRS since its establishment in 1973. Only one NAFO staff member whose salary is not paid by Federal funds, is a registered lobbyist. NAFO's primary purpose is farmworker advocacy, education and support. In accordance with VISTA legislative and policy guidelines, Volunteers have not, and will not, be used in any lobbying activities under the NAFO grant.

The Domestic Volunteer Service Act of 1973 does not phohibit VISTA Volunteers from being assigned to lobbying organizations. It does require that the activities of Volunteers must be completely separated from prohibited lobbying activities carried on by the organization.

5. MIDWEST ACADEMY

a. Introduction

Midwest Academy is a training institute which provides support, coordination, and information on community organizing, fund raising, strategic research and organization building to a network of local grassroots groups throughout the country. The Academy, a nonprofit tax-exempt organization located in Chicago, Illinois, has been in existence for six years, during which time it has offered group training and on-site technical assistance to over 3,000 people throughout the country.

Under the National VISTA Grant, there are 25 local projects located in 16 states. VISTA Volunteers are used to build poverty components into already established organizations of low and middle income people. Of these organizations, five were successfully converted to standard VISTA projects at the end of the first year of operation. Two new standard VISTA projects are spin-offs from components under the Midwest Academy grant.

Midwest Academy was awarded a VISTA National Grant, #131-003/1, on 9/30/1977. The total amount awarded was $432,235 for a budget period of one year from 9/30/1977 to 11/30/1978. It includes 65 volunteer service years and 105 training entries. The grant was supplemented by $96,518 in FY '78 to cover 23 additional workyears (total 88), and by $38,506 in FY '79 to extend the grant from 12/1/78 thru 2/28/79.

b. Report Findings and Agency Responses

(1) Background

Finding: "A six-man Project Review Board (PRB) met and approved the proposed project [consisting of 105 volunteers to 14 organizations] and most of the organizations which were to receive volunteers; other organizations were conditionally approved and one disapproved. Several days later the project was again reviewed and approved in total by the chairman of the PRB and two other officials, without apparent consideration for the PRB disapproval of one project or the recommendations of several State Directors for disapproval of other proposed sponsors." (p. 59)

Response: A total of 27 organizations under the Midwest Grant were reviewed by the Project Review Board and State Directors. The State Directors commented on a total of 18 of these projects and initially approved 14 and disapproved four. Of the four disapproved, further information was gathered for the PRB and two of those groups, the Carolina Brown Lung Association Projects, received positive recommendations. The remaining two disapproved projects, which received VISTAs in the first year, will be dropped in the second year grant.

Finding: "Of the three approving officials [on the Project Review Board] the Investigative Staff noted that the chairman of the PRB was a consultant to ACTION at the time, who was subsequently put on the rolls as a full-time employee, and another was the executive director of one of the local sponsoring organizations approved to receive VISTAs." (p. 59)

Response: Six members of the Project Review Board were full-time ACTION employees and one member was a consultant to ACTION at the time of the Project Review Board. However, this member had never been employed by Midwest and did not represent Midwest Academy in any capacity. ACTION policy guidelines now require that all persons serving on Project Review Boards be full-time ACTION employees.

The Executive Director alluded to in this allegation was not a voting member of the Project Review Board and was not the Executive Director of the project (Citizens Energy Coalition Education Fund) which received volunteers under the Midwest Grant.

(2) No National or Multi-Regional Affiliations

Finding: "According to the VISTA director, national grantees were to have national or multiregional affiliations. They were to be selected because their projects demonstrated high national impact or addressed a special need/program emphasis area of high priority to VISTA. Midwest Academy does not meet these criteria. Midwest is a nonprofit corporation which is primarily involved in training and consulting. It is an independent entity and in no way is legally affiliated with any of the other sponsors in the grant. All sponsors visited stated they were independent entities and their only relationship with Midwest was for preservice training and occasional consultation with the Midwest advisor. There was no direct supervision by Midwest...The issues of the sponsors were parochial to the geographic areas they were serving and not part of a nationally coordinated program." (pp. 59-60)

Response: Under the first National Grants awarded by the Agency, no programmatic linkage was required among various components under the grant although in most cases such affiliation exists. Under new VISTA National Grant evaluation criteria, commonality of program purpose is a requirement for new, competitive National Grants.

The nature of the affiliation of local components with the National Grantee under the Midwest Grant is one wherein Midwest provides training and technical assistance to the local components. Midwest trains the groups in "direct action" organizing techniques. The philosophy of Midwest Academy is to provide training and to maintain viable community organizations run by people at the local level with local community residents making decisions regarding which problems to address in their communities. Many of the groups supported by Midwest had never before received Federal funds or VISTA volunteers. Through the vehicle of the National Grant, Midwest acted as a catalyst to enable these grassroots organizations to receive VISTAs. All the local components are organizations which are designed to win improvements for people and give people a sense of their own worth and confidence to deal with problems that directly affect their lives. Midwest facilitates the exchange of ideas between similar groups with similar objectives. In facilitating the exchange of these ideas, which all address causes of poverty, Midwest's local projects involve the low-income with working poor and middle income persons.

(3) Lack of Uniform Training Period

Finding: "Midwest Academy has not provided uniform training for all VISTAs working under the grant...Neither the grant agreement nor the project narrative was specific about the length of training to be provided by Midwest Academy. However, the budget submitted with the grant application included a line item for a living allowance for 10 days for each volunteer while in training. Each volunteer received this allowance upon entering service, indicating that Midwest, at least, intended to give all volunteers 10 days' training sometime during their year of service.... The Investigative Staff brought this matter of possible overpayment of living allowance to the attention of the agency, which advised that it would determine if refunds from some volunteers were in order." (pp. 60-62)

609

Response: As was stated earlier in this response, Midwest Academy is nationally recognized for the quality of its training. Variances do exist in the type and amount of training provided to VISTAs in the various component projects depending on the nature of the particular volunteer assignments. All volunteers under the Midwest Academy grant received one day of pre-service orientation which consisted of informing the new volunteers of all the rights, obligations and responsibilities that are placed on them as VISTA volunteers working with Federally funded programs. Approximately two to four months later, all volunteers receive in-service training which was either conducted at Midwest Academy or on the project site. The length and content of this training varied depending upon the individual needs of the volunteer as they relate to the specific project. Such variation in training for National Grantee volunteers is a reflection of the improved quality of the training under these grants and the ability of the grantee to tailor training for specialized needs. The investigation report notes the high quality of Midwest training attended by the investigation in the Boston area (see page 62 of report).

Regarding the allegation that some volunteers may have been overpaid for living allowances for volunteer training, the Agency's Contracts and Grants Office presently has that issue under review.

Finding: "The primary concern with the Midwest's training program is with some of the statements included in the training materials, as illustrated earlier in the report. Such language is intemperate and, if taken literally, could encourage VISTAs to take actions not contemplated by the Congress." (p. 62)

Response: The response to this allegation is set forth at page 37 in this response. The materials were clearly inappropriate and should not have been used. The Agency has ordered Midwest to discontinue the use of the material. It is not the policy of VISTA to encourage the kind of activity suggested by the materials or to set up adversary relationships or confrontations. VISTA has not been involved in such activities. VISTA volunteers are fully informed in pre-service training of the types of volunteer activities that are prohibited by law and sign an acknowledgement to that effect. VISTA volunteer assignments are carefully selected to permit volunteers to assist groups and communities to work on their problems. It is certainly not the role of volunteers to provoke or exacerbate hostile or confrontational relationships.

(4) Selection of Sponsors

Finding: "ACTION's State directors' comments were solicited on the sponsors' project narratives. State directors recommended disapproval of some four or five components. The Investigative Staff was advised by headquarters personnel that the projects were approved because additionally submitted material had convinced the State directors of the projects' appropriateness or the Project Review Board had overruled the State director for its own reasons. State directors advised the Staff that once they had disapproved the sponsors, they were never approached again until after the projects were approved." (p. 62)

Response: A total of four projects evaluated by State Directors under the Midwest Grant out of a total of 27 components reviewed, received negative comments by the State Directors. These groups, who had never received VISTA volunteers or Federal assistance previously, were not as skillful or as sophisticated in the preparation of VISTA applications which required substantial documentation. In addition, many State Directors were not familiar with the types of projects being reviewed. For this reason, additional information was requested by the Project Review Board, in the areas which caused the negative responses from the State Directors. The additional information satisfied the Project Review Board that the State Directors' concerns were sufficiently addressed.

Two of the four projects initially disapproved by the State Directors were fully approved by the State Directors when the projects were submitted to them for review for continuation of the grant for the second year. The other two projects were dropped from the continuation grant. Seven of the projects under the Midwest Grant have now been picked up as standard VISTA projects.

Finding: "Several difficulties were found with the activities of [organizations which have the objective of improving the lot of working women]. They had not established that the workingwomen were poor or the proposed VISTA assignments poverty related." (pp. 62-63)

Response: For a full discussion of VISTA's poverty guidelines see page 30 of this response. The requirement that projects have a poverty orientation does not necessarily mean that every person participating in that project be at the bottom of the economic pile. Clearly the objective of the VISTA program is to lift low income people out of poverty, and if a program can successfully do that, it is well within VISTA guidelines.

The traditional argument is that employment is an avenue out of poverty. However, statistics from United States Department of Commerce, Bureau of the Census, set forth in the Department of Labor pamphlet entitled Women With Low Incomes indicate that employment is not necessarily an avenue available to women which brings them out of poverty. According to the Bureau of the Census, in 1976, two out of three poor people in this country were women 16 years of age and over. Among the reasons given for women being overrepresented in the group were (1) the median income for women who work full time year round is 60% of that for men; (2) unemployed women are more likely than men to become discouraged in searching for job prospects and therefore stop looking for employment; and (3) sex discrimination prevents women from taking full advantage of employment opportunities. The VISTA sponsored women and work projects have as a goal of expanding job opportunities for poor women. VISTA projects are designed to give low income women an opportunity to "work their way out of poverty."

VISTA volunteers assigned to the Nine to Five organization under the Midwest Academy National Grant are engaged in the following types of activities: (1) one volunteer has conducted 25 training sessions attended by 750 low income women and 50 individual counselling sessions for low income women in an effort to increase their employability; (2) another volunteer is completing a survey of the insurance industry in the Boston area to determine the number of women falling below the CSA poverty guideline, and on the basis of this survey the volunteer will target low income women who need additional information on upgrading their skills, job rights, etc.; (3) the third volunteer is involved in a survey of the banking industry to determine the extent of the industry's affirmative action efforts, and the effect of those efforts in upgrading entry level jobs which fall below the $6,000 annual salary level.

Finding: "In the project narrative, Midwest stated that the local sponsors were selected on the basis of 'a past history of success in selecting key issues and getting results; a tradition of good trainee supervision; solid prior funding or...a realistic funding base on which to begin operations; roots in and skill at organizing in a poverty community and a demonstrable need for the volunteers'. The Investigative Staff believes that these criteria were largely disregarded in selecting sponsors. Rather, it appears that sponsors were selected on the basis of Midwest's prior acquaintance with the supervisors of the local organizations, coupled with the agency's desire to support a workingwoman's program." (p. 63)

Response: VISTA program criteria were fully considered and used as a basis for selecting local project sponsors. The bulk of the projects under the Midwest Grant were self-sustaining community-based organizations, although a few projects did need VISTA volunteers to help programs get off the ground. This is fully in keeping with VISTA's commitment to grassroots sponsors. It is anticipated that within the three year cycle allowed for all VISTA projects, organizations will gain self sufficiency.

Midwest Academy is a nationally recognized training institute for community organizing and many of its graduates are now in the field implementing the valuable techniques they learned at Midwest. Some of the sponsors selected had previous contact with Midwest through training in Midwest's specific organizing techniques. Midwest was selected precisely because it had this training capacity, and this network of contacts. ACTION reviewed, and accepted or rejected individual project proposals on the basis of how they met the guidelines for VISTA programs, not on the basis of how Midwest came to be aware of the sponsoring organization.

(5) Questionable VISTA Activities - Volunteers Serving in Staff Positions

Finding: "At three of the sponsors visited, the VISTA volunteer was the only full-time employee. All three of these volunteers had worked with the organizations prior to becoming VISTAs and were now performing identical functions as before, but they are now on the VISTA payroll." (p. 63)

Response: VISTA volunteers are not employees and in the instances cited by the investigators there was no displacement of existing paid staff. The volunteers in these instances were not performing staff roles by providing full-time clerical and administrative support to the organizations. They provided organizing out-reach functions as VISTAs which they had not performed as paid staff.

The restriction on volunteers performing staff functions is governed by ACTION's legislation and VISTA program guidelines. Section 404(a) of the Domestic Volunteer Service Act limits volunteer assignments to "activities which would not otherwise be performed by employed workers and which would not supplant the hiring of or result in the displacement of employed workers or impair existing contracts for service."

The organizations referred to in the report were starting from scratch and were projects whose goals fully met VISTA criteria. The fact that an individual once worked with the organization is not a prohibition against continuing with that same organization as a VISTA volunteer as long as the volunteer's assignment does not displace an employed worker. Many VISTAs are locally recruited to work on issues in their own communities.

Saving a Community Center

Finding: "Two VISTAs are working full time to save the South Shore Community Center in Chicago. The center is a former private country club which is likely to be torn down unless enough money can be raised to convert it to a full-time community center. Although the project supervisor and volunteers insisted that this is a program designed to help the poor citizens of the South Shore community, the effort appears to the Investigative Staff to be more a community project to save a landmark and at the same time provide social services for a largely middle-income neighborhood." (p. 64)

Response: The VISTAs working with community residents to save the South Shore Community Center in Chicago are involved in a project located on the south side of Chicago in a neighborhood with a large minority population. The neighborhood, once thriving, is now deteriorating, poverty is on the increase, buildings are being abandoned and the crime rate is increasing.

VISTAs were successful in saving the building from demolition. The building is now owned by the city, and it is to become a cultural and educational center run by community residents.

Organizing a Union

Finding: "The two VISTAs assigned to the Rhode Island Workers Association (RIWA) in Providence were engaged substantially full time in proscribed union organizing related activity." (p. 64)

Response: ACTION's Office of Inspector General discovered this violation through its internal monitoring system and immediately ordered that such activities be halted. The allegation is fully discussed at page 40 of this response. It should be noted, however, that the union organizing in this case consisted of one volunteer who wrote a newsletter with an article critical of the working conditions of the jewelry industry. The newsletter was distributed at a jewelry plant gates and at the unemployment office. The volunteer, however, spent most of his time in activities such as helping persons with unemployment matters, food stamps, health care, and related problems.

6. COMMUNITY ORGANIZATION RESEARCH ACTION PROJECT (CORAP)

a. Introduction

ACORN (The Association of Community Organizations for Reform Now) was established in Arkansas in 1970 as a statewide grassroots organization consisting of a series of local neighborhood groups which financed its activities through membership dues. ACORN has since expanded into a multistate organization dealing with a multitude of locally identified issues. The Community Organization Research ACTION Project (CORAP) was developed under the guidance of ACORN for the purpose of organizing neighborhood groups to confront a broad scope of local problems.

CORAP was the first grant awarded to demonstrate the new direction of VISTA through national programming. It was selected because its leadership is drawn exclusively from the general membership of the organization and because of its desire to address poverty-related issues at the community level.

ACORN/CORAP programs demonstrated that while benefits derived from the activities of ACORN/CORAP efforts accrue to the poor, involvement of the moderate income population in neighborhood centers added to the organization's success. ACORN/CORAP's work with low-to-moderate income neighborhoods established communication between classes of people, supported the thesis that stabilized neighborhoods with multi-class structures mean better schools, services, shopping, etc. for poor people, and decreased the displacement of the poor to other areas.

CORAP was awarded a VISTA national grant #131-001/1 on September 26, 1977. The amount awarded was $470,475 for a budget period of 9/26/77 to 12/25/78, and including eighty (80) volunteer service years and 100 training entries.

b. Report Findings and Agency Responses

(1) Background

Finding: "In the opinion of the Investigative Staff, the refusal of ACORN to let its records be examined represents a deliberate effort to conceal evidence of an organization with serious financial problems and needing the VISTA grant to keep afloat." (p. 49)

Response: ACTION's program and fiscal audit conducted by the Office of Compliance in February of 1978, concluded that grant funds were accounted for and were being properly administered.

Of the $470,000 provided under the CORAP National Grant, only $19,500 went for staff salaries, fringe benefits and travel. The remaining funds went directly for volunteer allowances and training. The VISTA National Grant contained no funds for grantee overhead or other indirect costs.

(2) VISTAs Not Working with Poor People

Finding: "Concern about not reaching a poverty constituency was expressed by several ACTION State directors in commenting on the CORAP grant. Based on observations of the Investigative Staff, the comments of several VISTAs, and ACORN's stated objectives, the Investigative Staff believes experience has proven the concern to be justified. In two of the three cities where the Investigative Staff made site visits...the neighborhoods ranged in appearance from low to middle income. The ACORN members...and their houses and surroundings, reflected, in the Investigative Staff's judgment, neither poverty nor affluence, but low to moderate incomes." (pp.49-50)

Response: For a full discussion of the Agency's response regarding VISTA's poverty mandate, see page 30 of the response.

The conclusion of the investigators that CORAP volunteers were not working with poor people is based on a subjective observation of the physical surroundings of a neighborhood, with no indication of the criteria used to evaluate the area. Few if any neighborhoods in the United States are comprised solely of people whose income falls below the CSA poverty guidelines. The CORAP projects work with the poor and near poor to create stabilized multi-class neighborhoods in order to break the chain of continuing deterioration and poverty.

(3) No Evidence of Community Takeover

Finding: "The objective [of ACTION's new directions] is the creation of self-reliant communities by developing within the neighborhood group a capability for continuing the activities and services provided by the group even after

VISTA resources are no longer available. The Investigative Staff sees no evidence of such self-sufficiency developing in the ACORN neighborhood organizations to which VISTAs are assigned...Almost all of the VISTAs interviewed acknowledged the impracticability of the goal of community takeover..." (pp. 50-51)

Response: A major goal of all VISTA programs is to assist poor people in their attempts to gain greater self-sufficiency. To expect that all VISTA projects will be self-sufficient from their inception is to misunderstand both the purpose of the criteria and the nature of community organizations. If all VISTA projects, from the beginning, were self-reliant, there would be no need for the services of the volunteers. Achieving the goals of the project is the process in which the volunteers participate. Self-sufficiency does not mean that a project requires no staff. It means that its membership and leadership has the ability to evaluate the need for staff and to obtain the resources to meet the need. To conclude "no evidence of self-sufficiency of neighborhood organizations" after only a few months of organizing the projects, shows a lack of understanding of the intricacies of the community organizing process. VISTA assumes that most projects will require up to three years of VISTA support before they become self-sustaining.

(4) VISTAs Involved in Proscribed Activities

[All the report findings and Agency responses are found at p. 39 of this response.]

(5) Accounting

Finding: "The Investigative Staff reviewed the accounting system and the incurred costs for the CORAP grant through May 31, 1978, and found some transactions that should have been approved by ACTION prior to expending the funds. Also, inadequate accounting for subcontractor expenses and for ACORN contributions to the grant existed....There are no accounting records to substantiate the actual costs of services and supplies provided [by ACORN] nor, according to ACORN, does ACTION require any." (pp. 53-54)

Response: ACTION will perform a final audit of the CORAP grant approximately 90 days after the expiration date of the grant, and any specific accounting deficiencies will be addressed at that time. The increase in staff salaries noted by the investigators was approved by the Contracts and Grants Office in a rebudgeting process, which reduced the total amount of staff salaries paid out of the grant. The figures supplied by CORAP concerning its contribution to the grant, are as the investigators note, rough estimates of the value of services provided by the sponsor. There is no requirement that sponsors provide a "matching share" in cash or in-kind in VISTA grants. The estimates of services are used as an indication of the sponsor's ability to provide the necessary support for VISTA volunteers.

(6) Monitoring Inadequate

Finding: "The role of the ACORN State director in administering the national grants program is ill-defined. This problem...has resulted in poor or nonexistent oversight of projects and improper assignment of volunteers. The Investigative Staff found that VISTAs from the St. Louis area had been asked to make weekend trips out of State to petition for a referendum on repeal of a sales tax on food and medicine in Arkansas, over 350 miles away. The Investigative Staff also found that VISTAs are routinely assigned to work in neighborhoods other than those identified in the project narratives without obtaining approval from the State director or even notifying his office." (p. 55)

Response: Procedures were set up to monitor carefully each of the National Grants to ascertain that they were functioning within VISTA guidelines and according to their project narrative. Grantees are required to submit quarterly reports to the VISTA National program office as well as to State and Regional Offices reporting on the work of each VISTA and the progress of the project. State Directors, as well as National program staff also make site visits and report on the accomplishment of the project. In addition, because of the newness of the National Grant Program, a combined fiscal and program audit of each project in its first year was scheduled by the Inspector General Division of the Office of Compliance. Four of the National grantees have been audited, and the rest are scheduled to begin shortly.

The investigation report attributes volunteer involvement in restricted activities to poorly trained supervisors and inadequate monitoring of the projects. The volunteer involvements in restricted activity cited in the investigation were uncovered through ACTION monitoring procedures and were properly dealt with by the Agency. Out of 270 local components at the time of the investigation, only four raised any problems.

The charge that VISTAs left the State without State Director approval is inappropriate. VISTA policy requires that the State Office be notified when a volunteer enters the State in order for the State Office to provide the volunteer with administrative support (volunteer representative system, health benefits, etc.). The policy does not require the volunteer to notify the State Office each time the volunteer leaves the State for vacation trips or similar absences. Volunteers are assigned to particular cities and not to a particular neighborhood and therefore are free to travel to many locations if needs of the project are served by such travel.

(7) Action on Office of Compliance Findings

Finding: "The Office of Compliance found that materials used by the Institute were inappropriate for VISTA training." (p. 56)

Response: As was stated in the report, ACTION's Office of Compliance recommended revisions in certain training material. CORAP did not use the material in VISTA training after the Office of Compliance issued its findings. This was confirmed by National program officials who attended the training sessions.

Finding: "ACTION auditors found that VISTAs may be indirectly involved in politics through their dues-collecting activity...The Office of Compliance recommended that a series of measures be taken to establish a meaningful organizational and financial separation of the political activity of APAC from ACORN. As of August 1, 1978, APAC was established as a separate legal entity. ACTION has made no further review to establish whether APAC and ACORN are, in fact, no longer totally interrelated organizations." (p. 56)

Response: Based on the findings of ACTION's Office of Compliance that ACORN dues collected by VISTA volunteers could be used to indirectly support political activities, attorneys for ACTION and CORAP/ACORN negotiated a series of rigorous guidelines to ensure total separation between the activities of the volunteers and the political activities of ACORN. The CORAP grant expired on December 25, 1978 and there are no VISTA volunteers serving under this grant.

Finding: "The auditors found the attrition rate for VISTAs assigned to CORAP to be high...The Office of Compliance recommended an indepth study of the problems causing VISTAs to quit CORAP and also that ACTION work closely with CORAP in seeking possible solutions. While no 'indepth study' has been made, discussions between ACORN and ACTION representatives highlighted some of the difficulties, but subsequent developments obviated the need for any remedial actions." (pp. 56-57)

Response: The CORAP VISTA project was one of the most rigorous of all the National Grant volunteer assignments. The Office of Compliance found that volunteers left the CORAP project due to dissatisfaction with the intensity of training, working conditions, and overall community organizing objectives, as well as inadequate supervision. CORAP agreed to provide more information to trainees and to schedule new training entries less frequently to allow better supervision. ACTION also agreed to provide better information during training as to what would be expected of the volunteers. Many of the volunteers who left the CORAP project nevertheless remained in VISTA and transferred to other projects.

Finding: "The work of a CORAP organizer requires an automobile. As part of the grant arrangement, CORAP agreed in the project narrative to contribute up to $18,000 to meet the statutory transportation requirements. The Office of Compliance found that CORAP has not fulfilled its obligation to provide transportation, with the result that a number of volunteers had to go into debt to buy their own cars...When the Investigative Staff report was closed out, this issue was still largely unresolved." (p. 57)

Response: As requested by the Inspector General's Office, CORAP has submitted documentation on the amount of money paid out for transportation costs. $18,000 was only an estimated figure used as a guideline when the grant was first developed. Since many volunteers did not have their own cars, CORAP made loans to enable them to buy cars. The money that CORAP spent on transportation support included repairs and maintenance on volunteers' cars, as well as loans that were not repaid. The documentation submitted by CORAP has not yet been reviewed by ACTION.

V. RESPONSE TO PROCUREMENT PRACTICES FINDINGS

Introduction:

The draft report discloses some weaknesses in the otherwise strong procurement system at ACTION. It provides some examples of procurement regulation and internal Agency procedure violations. While these instances do not substantiate the broad conclusion set forth in the report, steps are being taken to ensure that all procurements are processed in compliance with regulations and internal directives. (See attachment "A" to this response.)

Based on the report findings, the Director of ACTION has ordered the formation of a panel to study all phases of the procurement process and to issue a full report detailing any weaknesses in the procurement process and improvements that could benefit the Agency and the public.

Report Findings and Agency Responses

A. Questionable Practices

1. Absence of Procurement Planning

Finding: "The Advance Procurement Planning directed by ACTION Order 2620.1 is virtually nonexistent ... [and contributes] to questionable procurement practices. Early identification of requirements and compliance with the Advance Procurement Planning regulation could help to overcome deficiencies in the ACTION procurement process." (p. 90.)

Response: For the first time since the ACTION Order was adopted in 1973, the Agency has completed a procurement plan in compliance with the Order. The plan now in effect should help to overcome any deficiencies in the procurement process caused by the lack of a plan. The plan provides that all program offices submit to the Contracts and Grants Management Division, in a timely manner, schedules of their internal procurement requirements, modification of those requirements and completed work statements with proposed evaluation criteria and procurement requests.

Finding: "The Office of Grants and Contracts Management has not insisted upon program office adherence to Order 2620.1, and it seems unlikely it would be successful if it attempted to do so under ACTION's present management structure." (p. 90.)

Response: The present management structure is adequate since the Order specifically identifies the Contracts and Grants Management Division as the office responsible for monitoring the procurement plan now in effect. If the Division and the requiring offices do not abide by the Order, appropriate action will be taken.

Finding: "...Administrative lead time and contract delivery requirements are often unrealistically compressed... [Insufficient lead time often results in] hastily prepared proposals from only one experienced contractor, or in some instances, from a few experienced contractors, and tends to favor existing contractors. Thus, ACTION has received less than the best prepared proposal and has unduly limited the competition." (pp. 89, 90.)

Response: The Agency agrees that earlier planning would help the Agency expand necessary lead time to obtain better prepared proposals. To ensure that all contractors get equal consideration, models are being or have been developed for use by program offices in preparing requirements for recurring services so that initial preparation time is shortened and changes can be incorporated quickly. While it is true that in many cases only experienced contractors submit proposals, they are in most instances well prepared. Where appropriate, ACTION uses the procedures authorized by Section 8(a) of the Small Business Act to ensure that less experienced minority contractors have an opportunity to bid on ACTION contracts. ACTION has no evidence to indicate that its procedures have limited competition in any manner.

Finding: "...The Contracts and Grants Management Division has been criticized by upper management within ACTION for lack of responsiveness because of insistence that 90 to 120 days represents a reasonable time for processing a procurement to contract award in compliance with laws and regulations and sound business practices... The Assistant Director, Administration and Finance, told the division to be responsive to the program offices." (p. 89.)

Response: The Assistant Director for Administration and Finance suggested to the Director of the Contracts and Grants Management Division that he be responsive to the program offices in order to encourage the Division to work with those offices in the resolution of problems in a cooperative and professional manner. All high level ACTION managers understand that 90 to 120 days is a reasonable time period, under normal circumstances, to process a procurement award. The division has never been advised to violate laws, regulations, or sound business practices; it has been advised to not return material to program offices for complete resubmission when only minor changes are necessary.

2. Violations of Statutes

a. D&F Authorizing Negotiation of Contracts

Finding: "Customarily, execution of a D&F authorizing use of the negotiated method of procurement occurs before the commencement of negotiations; there would seem to be no authority to have held negotiations without such prior authorization... With some consistency, however, ACTION contracts reviewed authorized use of the negotiated method of procurement only after negotiations had been underway or were completed... As illustrations of the poor practice, negotiations for one procurement commenced in August 1977, but the D&F authorizing the negotiations was not signed until February 1978; and in another acquisition, an RFP was issued in January, and the D&F was not executed until June." (pp. 90-91.)

Response: ACTION has, on a limited number of occasions, issued Determinations and Findings authorizing procurement by negotiation after the negotiation process began. The report is correct in its finding that the Agency should not have allowed any negotiations to commence prior to the issuance of the Determinations and Findings. The appropriate Agency officials have been instructed that such actions are not to be repeated.

Of the 46 open negotiated contracts awarded in Fiscal Year 1978, negotiations were begun prior to the issuance of Determinations and Findings in six instances. In one instance, the Contracting Officer had signified his approval prior to the start of discussions, but concurrences from the Offices of General Counsel and Administration and Finance were a few days late, resulting in a technical violation. In three others, negotiations began three, four and nine days prior to the signing of Determinations and Findings, but after evaluations of proposals indicated that there was only one technically acceptable offer or after the requiring office submitted an acceptable sole source justification to the contracting office. In another, the contract was converted from a purchase order which did not require a Determination and Finding after Agency delay resulted in the expenditure of additional funds.

The sixth incident, cited in the first example in the report, claimed that six months had elapsed between negotiations and the issuance of the Determinations and Findings (August 1977 to February 1978). In fact, the actual time elapsed was two months. The negotiations begun in August were suspended until November 18, 1977. These negotiations were subsequently authorized on January 25, 1978.

Finding: "On some occasions the D&F and the contract were executed the same day. Concurrent signings of the documents pose serious risk of noncompliance with the statute." (p. 91)

Response: This occurred once in 46 procurements. Since the Determinations and Findings justified the award as a sole source contract, no procurement regulations were violated when the contract was signed the same day.

b. Synopsis of Procurements

Finding: "Although it is a statutory requirement to synopsize procurements in the Department of Commerce Business Daily, exception is permitted when less than 15 days are allowed for proposal submissions. An ACTION official advised the Investigative Staff occasional exception to the 15-day period is understandable and acceptable, but time periods should not be so compressed as to preclude adherence to synopsis by consistently allowing less than 15 days for proposal submission in order to accommodate requirements stated to be urgent." (p. 91)

Response: While the report acknowledges that the statutory requirement for synopsis of procurements excepts procurements for which less than 15 days are available for proposal submission, it fails to mention another exception provided by statute applicacle to many training contracts. The Agency is not required to synopsize procurements which go exclusively to colleges and universities, as is the case of some training contracts.

As found by the investigators, the Agency does not make a consistent practice of compressing the time period for proposal submission to less than 15 days. There have been occasions when the Peace Corps program offices have not given the Contracts and Grants Management Division sufficient warning of upcoming training needs, resulting in the compressed time period. The procurement plan now in effect should help alleviate this problem.

Finding: "... It is not ACTION practice to synopsize sole - source procurements. Nonsynopsis of sole-source procurements as a customary practice raises questions as to concealment of such awards from public awareness and conflicts with the statutory requirement to synopsize procurements." (p. 91)

Response: The investigators are correct in this finding. The Agency discovered this omission through its internal monitoring processes and moved to correct the problem prior to being informed of the issue by the investigators. The General Counsel instructed the Contracts and Grants Management Division to synopsize sole source procurements in July of 1978, and the Division will continue this practice.

c. Certificate of Current Cost or Pricing Data

Finding: "Although the Contracting Officer is required by the Truth in Negotiation law (P.L. 87-653) to obtain a Certificate of Current Cost or Pricing Data on each contractual action exceeding $100,000, ACTION has not obtained the certificate... Thus, ACTION consistently violated the pertinent statute." (pp. 91-92)

Response: The Truth in Negotiation Law (P.L. 87-653) applies only to military procurements, and is therefore inapplicable to ACTION. A similar requirement in the Federal Procurement Regulations which is applicable to ACTION does not require the certificate when the Contracting Officer determines that the negotiated price is based on adequate price competition. Any past deficiencies in the area have been corrected and ACTION now consistently adheres to the pertinent regulation.

3. Imprudent Activities of Program Officials

a. "Authorization" of "Precontract Costs"

Finding: "Questionable activities of program officials include encouraging contractors to commence work without a contract... A contract for advertising services entered into in December 1977 is illustrative of the type of problems that can arise when program personnel exceed their authority and improperly 'authorize' commencement of work. The contract contained no mention of costs incurred prior to the date of the contract; however, about a month after receipt of the contract, the contractor requested the agreement be modified in order to allow payment of precontract costs of $4000..." (p. 92)

Response: A review of all negotiated contracts awarded in Fiscal Year 1978 revealed that this was an isolated occurrence and is not the policy of the Agency. The advertising contract discussed in the report was awarded to the Advertising Council, a nonprofit public service organization. Under this contract, ACTION paid the actual production costs for advertising services, but paid nothing for the creative effort that went into those services. If the Agency had not used the Advertising Council to procure these services, it would have cost the Government far more than $4,000 to secure comparable advertising services directly from an advertising agency.

The Contracting Officer determined that the preaward expenditures resulted in benefits to the Agency, and issued an amendment to the contract allowing the costs as is authorized by law. In approving those costs, the Contracting Officer used the well-established ratification procedure set forth in the Federal Procurement Regulations (41 CFR §1-1.405). In accordance with that procedure, the Contracting Officer found (1) that the services were necessary and the costs justified; (2) that he could have given authority to perform the services before they were completed; and (3) that he still had the power to do so at the time he issued the amendment.

Finding: "The potential harm to the contractor from proceeding without contractual coverage in reliance upon unauthorized 'approval' emphasizes the risk attendant to program officials exceeding their authority." (p. 93)

Response: Because of the nature of the services and the unique source, the contract in the cited example was not a traditional transaction. The Advertising Council by law had the burden of determining the authority of the Agency officials with whom it was dealing. The contractor was experienced in Government contracting and knew the risk it took in proceeding without a contract.

Recognizing that some contractors are less sophisticated than others, ACTION program officials will receive instruction on the prohibition of encouraging contractors to commence work and incur costs prior to formal contract award.

b. Imprudent, Premature Discussions

Finding: "It is not uncommon for program officials of ACTION to hold discussions with contractors in order to jointly develop statements of work and to derive estimated costs of procurements, both questionable practices... Joint development of a work statement tends to 'lock in' the source with whom such discussions have been held and can be unfair to other contractors." (p. 93)

Response: The investigators' findings in the examples cited are true and these two instances should not have occurred. However, it is not a common practice for the Agency to develop statements of work with contractors and to use their budget figures as in-house estimates. Program officials have been instructed in this regard, since it is their responsibility to develop statements of work for use by the Contracting Office.

4. Questionable Use of Minority Firm 8(a) Awards

Finding: "ACTION made an award of a contract for advertising coverage of a large endeavor - the Syracuse Youth Project - to a minority firm on the pretext of accommodating the Government's minority businesses' affirmative action program. In reality, however, the award was made to the minority firm in order to obtain the services of a specific individual, a consultant to that company desired by ACTION, but for whom, ACTION officials said, award without competition was not justified. The contract placement...circumvented Government requirements for competitive procurement..." (pp. 94, 95)

Response: There is a well-established statutory Government policy set forth in Section 8(a) of the Small Business Act in favor of noncompetitive awards to minority contractors. ACTION firmly supports that policy and this contract was awarded in accordance with it. Since the policy places the responsibility for selection of the contractor with the Small Business Administration (SBA), that selection must be subject to SBA's judgment. SBA certified the selection in this particular procurement.

The contract services were for the purpose of advertising a grant program aimed at unemployed youth in minority communities. The specific Black individual selected by ACTION is a talented, recognized expert in the field who had a longstanding relationship with the firm that received the contract.

Finding: "The contract placement... placed an unfair burden on the minority firm..." (p. 95)

Response: No data to support this conclusion was presented. The firm has not indicated to ACTION that it feels any unfair burden caused by this contract.

5. Non-Recovery of Costs for Canceled Training Courses

Finding: "In June 1977, ACTION awarded a contract in the estimated amount of $495,746 to a contractor who was to plan and implement preservice training for a minimum of 190 trainees in Brazil... Difficulty was encountered early in the contract period when the Brazilian Government delayed issuance of visas to the trainees ... Precise ascertainment of waste under the contract is difficult, because lost time to teach trainees was offset to some degree by teaching inservice volunteers. The degree of magnitude of wasted expenditure can be appreciated in gross terms when it is realized the contract amount averages a cost per preservice trainee of about $5,400, according to one ACTION official." (pp. 95 - 97)

Response: Neither the Peace Corps nor the Contracting Officer can be held responsible for the results of diplomatic relations which in this case resulted in the Brazilian Government's failure to issue visas. As occasionally happens, Peace Corps Volunteers got caught in the middle of a foreign policy dispute unrelated to their service. On several occasions, the Government of Brazil led the program office to believe that visas would be issued shortly for the Peace Corps trainees scheduled for training under this contract. Believing that the visas would be issued and that the contract would proceed, the program office was reluctant to inform the Contracting Officer of the delays because it feared the result would be cancellation of the contract.

Under the Peace Corps Act, the Agency was legally obligated to support the trainees in Miami while they awaited entry into Brazil. While the Brazilian Government gradually issued some visas, the contractor ageed to provide language training to several trainees waiting in Miami. This resulted in expenditure of some of the contract funds and fulfilled part of the training requirement in spite of visa problems and minimized losses resulting from unforeseeable events.

6. Questionable Evaluation of Competitive Procurements.

a. Importance of the Statement of Work

Finding: "An ACTION official advised the Investigative Staff ... that many procurements in ACTION are not well thought through." (p. 97)

Response: The Agency concurs that the Statement of Work is an integral part of a procurement and the Agency attempts to ensure that each procurement is well executed. The Agency's process for developing Statements of Work is good: the requiring office states its needs, secures the necessary approval, and transmits it to the Contracts and Grants Management Division. That division issues a Request for Proposals (RFP) when it is satisfied that the Statement of Work is a sufficient statement of the requirements to solicit proposals.

b. Importance of the RFP

Finding: "... The RFP [Request for Proposals] should contain evaluation criteria adequate to inform prospective offerors of factors to be considered in the evaluation, their relative importance, and a description of what constitutes acceptability... Often ACTION RFPs provide inadequate information to ensure contractors can propose and evaluators can evaluate on a common basis, meeting the Government's requirement. Thus there is a tendency to evaluate proposals against each other rather than against the Government's requirement." (p. 97)

Response: The Comptroller General requires that Requests for Proposals (RFP) apprise potential offerors of the evaluation criteria of general categories without breaking down every evaluation factor. ACTION RFPs provide the criteria required by the General Accounting Office which are adequate for the preparation and evaluation of proposals.

For each ACTION contract, the requiring offices, which have the necessary technical knowledge, prepare the criteria and the Procurement Branch reviews the criteria for sufficiency in accordance with procurement practices and assigns points for each evaluation category.

After receipt of proposals, the Procurement Branch briefs the Technical Evaluation Panel, which reviews the proposals, and advises the members that the proposals must be rated against the Government criteria and not against other proposals.

Detection of violations of this process is not easy, but if program officials are not adhering to the described procedures, training will be provided to improve the process.

c. Best Technical Proposal versus Meeting the Government's Requirement

Finding: "ACTION officials said although the program offices understand the Government is not mandated to buy the best technical proposal but to buy that which meets the Government's requirement, program officials usually want to select the contractor with the best technical proposal." (pp. 97-98)

Response: Program officials, who have primary responsibility to operate programs and no authority to obligate funds, want the best programs they can design and implement. They have responsibility for evaluating all factors except cost, and it is their responsibility to point out to the contracting office the technical benefits or deficiencies of various proposals. The Contracting Officer then evaluates the proposal in terms of cost. The Agency always selects the lowest cost proposals that meet its needs. To overcome the constant problem of measuring quality against cost, ACTION's Contracting Officer uses a formula designed to take both factors into consideration in an objective manner. This results in giving the Agency a negotiating range from which to select the proposal most advantageous to the government. The objective of the process is to acquire "services of the requisite quality and within the time needed at the lowest reasonable cost", as required by the Federal Procurement Regulations.(41 Code of Federal Regulations §1-1.011-2).

Finding: "An official said if the region felt a proposal were superior but the contracts office was leaning to another company to save $10,000, personnel in the region feel quality outweighs the price difference. They consider whether they want to influence the contract office by 'putting pressure on', i.e., going outside the Technical Review Panel level to attempt to insist the contract office award to the higher cost propcser for the superior proposal." (p. 98)

Response: Program officials who attempt to influence the contracting office outside of the Technical Review Panel are exceeding their authority. Program personnel do not always understand the limits imposed on them or their role in the procurement process. It should be noted that there is no indication that any such attempts at influencing contractor selections are motivated by anything other than an attempt to achieve the best programs, and a belief by the program officials involved that they know what is best for the Agency. Nor is there any indication that ACTION's contracting personnel have succumbed to the alleged pressures to the detriment of the Agency's contracting process. If this conduct has occurred, there is a need for Agency training programs to instruct program officials as to their proper role in the procurement process. In addition, the Agency is examining its evaluation criteria and procedures to see if they can be strengthened and still allow for the unique needs of ACTION and the Peace Corps.

However, it should be noted that the Contracting Officer is only required to accept the technical evaluations provided by the panel, and need not and should not respond to outside pressures.

[Overall] Finding: "... ACTION evaluations are subjective to an unusually high degree." (p. 98)

Response: The nature of what ACTION is contracting for is unique in the Government. No other agency trains and assigns volunteers all over the world. Training models must be designed which include developmental, technical, language, and cross cultural skills for a variety of countries and cultures. Because of the uniqueness of ACTION's contracting requirements, it is difficult to design specific evaluation criteria, and much must be left to the judgment and experience of Agency personnel.

(1) Establishment of Broad Categories

Finding: "ACTION consistently announces and uses a potential maximum technical score of 80 points divided among 6 broad categories according to relative importance of each topic as determined before offers are solicited. This generally conforms to a customarily used procedure. However, within the broad topics, ACTION fails to use other commonly employed evaluation features either to inform offerors or to assure objectivity of evaluation and scoring." (p. 98)

Response: The Comptroller General has consistently ruled (see 51 Comptroller General 397 (1972)) that major evaluation criteria listed in a Request for Proposals need not be broken down to reflect each factor considered in the evaluation of proposals so long as there is sufficient correlation between the stated criteria and the factors used. The Comptroller General has found that the commonly employed weighted evaluation procedure used by ACTION is sufficient to advise prospective offerors.

(2) No Base Line for Acceptability

Finding: "A flaw in the ACTION approach to source selection is that the RFP and the preproposal documentation establishing the evaluation and scoring techniques often lack written description of what constitutes acceptability... The prior determination of the base line for acceptability is imperative to demonstrate that what constitutes acceptability was determined in relation to the Government's requirement, and further, that it was not influenced or 'tailored' to favor the offering of a preferred supplier(s) after proposals were opened and read by technical evaluators." (p. 98)

Response: It is not clear from the report whether the investigators understand ACTION's use of the Government-wide practice of determining the competitive range for negotiated procurements after proposals are evaluated.

While each factor to be scored should be described in sufficient detail in the Request for Proposal to enable offerors to adequately respond, the Comptroller General has ruled in a published opinion, 50 Comptroller General 59 (1970), that it would be improper to determine, let alone reveal, the base line of the competitive range of scores prior to the receipt and evaluation of proposals.

(3) No Indicator of Relative Importance of Subcategories

Finding: "The absense of written documentation of scoring, weighting, or other indicator of the relative importance of elements within the six or so broad areas identified and assigned potential scores is a major weakness of the ACTION approach, which makes ACTION proposal evaluations particularly subjective." (p. 99)

Response: As previously explained, ACTION follows the practice approved by the Comptroller General of providing broad categories of evaluation criteria. In addition to such requirements, ACTION technical personnel indicate the relative importance of the criteria subcategories prior to their receipt of proposals for evaluation.

d. Examples of Subjectivity of Evaluations

Finding: "The deficiencies of the ACTION method of proposal solicitation, evaluation, and scoring and the gross subjectivity they foster are demonstrable." (p. 99)

Response: One contract is used to damn the entire evaluation system. The report contains no indication of how normal Agency procurement functions are handled. In the single example, there was a violation of ACTION's Order requiring confidentiality, there was an attempt to pressure the Contracting Officer, and there was inproper interjection of a program official into the orocurement process. All three actions involved a single individual.

However, the report also does not indicate that the contract was for the stateside training of Peace Corps Volunteers bound for French-speaking African countries. The contract was awarded to a well respected non-profit organization which had expertise in teaching French and had done substantial training in Africa. Only 2% of that organization's annual income results from Government contracts, including those of ACTION.

7. Contract Closeout Problems

Finding: "ACTION has a chronic backlog of contracts completed but not closed out ... Unclosed contracts to provide training are a concern, because they often contain unexpended funds that can be deobligated." (p. 103)

Response: The current administration inherited a backlog of unclosed contracts. Most of these are personal service contracts for relatively small dollar amounts. In 1977 and 1978, 41 contracts were awarded in amounts over $50,000. During that period, 84 large dollar contracts were closed, reducing the backlog by 43. The Agency intends to continue reducing the backlog.

B. Dominance of Program Technical Personnel

Finding: "Program Office personnel tend to dominate acquisition proceedings, and trained, experienced procurement personnel must often bow to the desires of requisitioners who do not have expertise in procurement, often with harmful results to the procurement process. A procurement orientation course for technical personnel could help program personnel..." (p. 104)

Response: The responsibility for approving procurements rests with the Office of Contracts and Grants Management. The report has documented instances in which program personnel exceeded their authority and tried to influence procurements. The investigators' suggestion of a procurement orientation course for program personnel is a good one and the Agency intends to implement it.

C. Need To Reevaluate the Placement of Procurement Within the Organization

Finding: "The degree of dominance of Program Office technical personnel over personnel engaged in the procurement process and lack of management support for the procurement process noted in ACTION suggest the need to reevaluate the place of procurement in the agency ..." (p. 104)

Response: The report documents only a few cases of improper program technical staff interference in the procurement process. This is not the result of the organizational placement of the procurement office. The present location, a separate Division within the Office of Administration and Finance, allows the office sufficient independence and separation from program offices. The Director of the Contracts and Grants Management Division reports to the Assistant Director for Administration and Finance, a Presidential appointee, who reports to the Director of ACTION.

D. Conclusion:

The draft report fails to support its major conclusions, including the finding that program staff dominate the procurement process. An apparent lack of harmony between the Contracts and Grants Management Division and several program offices has resulted in a lack of communication and a lack of trust between them. There appear to have been misguided attempts by program officials to influence source selections. Whatever the motivation, be it an attempt to implement the best program, or program officials' beliefs that they are better qualified to determine the best sources, the practice will be stopped and ACTION has taken steps to prevent it from occurring.

The Agency finds valuable the recommendation that the program staff could benefit from an orientation course in procurement to enhance their understanding of the entire procurement process and their proper role in it. The finding that the procurement function is not visible and should be moved to another location within the Agency is not convincing. The present location, a separate Division within the Office of Administration and Finance, was deliberately selected and allows the division independence and separation from program offices. From an overall management point of view, the present location of the Division serves all the interests of all parts of the Agency.

It is significant that in the extensive review of the Agency procurement system no fraud was disclosed, and no favoritism in the awarding of grants or contracts was found. This administration adopted and published in 1978 a strict and comprehensive set of Conflict of Interest Regulations which are designed to prevent such situations from developing.

VI. RESPONSE TO FINANCIAL MANAGEMENT CONTROLS FINDINGS

Introduction

The Agency maintains an accounting system with adequate financial management controls. The Agency's accounting system for the first time in the history of ACTION is beginning to work smoothly and is improving with new management techniques instituted by this administration. The report points out certain difficulties in the finance systems of the Agency which the Agency has taken steps to rectify. (See attachment to this response.)

The report finds the Agency obligated funds during periods when the Agency was without an appropriation. With a few exceptions, the financial transactions made during this period complied with acceptable governmental accounting procedures. After an exhaustive review of the Agency's travel practices, the investigators found an unintentional violation of ACTION Orders regarding per diem reimbursements. No other violation of travel regulations were reported in the report.

Report Findings and Agency Responses

A. Weakness of the Accounting Division

Finding: "The resulting [accounting] system, while still imperfect, has been approved in design by the GAO." (p. 105)

Response: As pointed out, the current administration has obtained General Accounting Office (GAO) approval for its accounting system.

Finding: "As a test of the new accounting system, the Investigative Staff requested a listing of all outstanding contracts and purchase orders. The computer printout furnished by ACTION had the following deficiencies: the list did not clearly identify the vendor; the listing did not identify the obligations and expenses shown by fiscal year; the document number did not match the vendor number assigned to the contract by the Accounting Division; and the expenses incurred plus the unobligated balance figures often did not add up to the total commitment listed." (p. 106)

Response: The specific information found lacking in the document requested by the investigators was either not necessary to the functioning of the system, or not correctly requested by the investigators. A more pertinent test of a system would ask whether each transaction is capable of being recorded by the accounting system, and whether each transaction is capable of being retrieved upon demand from the system.

To elaborate:

(1) The listing provided clearly identified the vendor by vendor number. The accounting office maintains a file of all vendor numbers and names.

(2) The listing did not clearly identify the obligations and expenses shown by fiscal year because the investigators did not request that information. Had they asked for it, the information would have appeared on the printout.

(3) The document number did not match the vendor number because it is unnecessary for it to do so, and to establish such a system would be unnecessarily expensive for little benefit.

(4) The expenses incurred plus the unobligated balance figures often do not add up to the commitment listed because the commitment is only an early estimate from which the contracts branch negotiates a final obligation.

The current administration has for the first time in the Agency's history obtained approval from the General Accounting Office for the design of the accounting system.

B. Unauthorized Obligation of Funds

Perspective: The material in this section refers to one period at the beginning of fiscal year 1978 during which the Agency had no appropriation for any of its programs and two periods in which it had no appropriation for its domestic programs. The lack of appropriations resulted from a delay in passing Agency appropriations legislation after disagreements arose between the House and Senate over the language in the Appropriations Act.

Both the Houses had agreed on the amount of ACTION's appropriation. There was no question that ACTION's programs were to continue, and numerous conversations with Members and staff made it clear that there was no intent that ACTION's operations be closed down.

Numerous other agencies were similarly affected, and the procedures followed by ACTION during these emergency periods were similar to those followed by other agencies. The restrictions on expenditures adopted by ACTION were adopted on short notice for brief periods of time and had the objective of complying with Congressional intent without seriously disrupting programs, wasting funds, and subjecting the Government to substantial legal obligations. The operations of Government cannot be turned on and off like a water tap; people are offered jobs, and quit other jobs on the strength of the employment offer; training sessions have been negotiated in advance; volunteers have been selected and invited to training; emergencies involving volunteers' health and safety arise.

Prudent managers meet these problems in ways which cause the least disruption, avoid waste of Government funds and future legal liability, while not committing the Government to any expense which can be avoided.

When Congress passed a continuing resolution (P.L. 93-130) it specifically ratified and confirmed obligations incurred in anticipation of the appropriation. All the expenditures discussed in this section of the report have been ratified and confirmed by a Congressional Appropriation Act.

Finding: "Contracts. A contract in the amount of $75,000 was executed by ACTION, Washington, D.C. on November 2, 1977, with Vendor No. 78-043-1006." (p. 107)

Response: This contract was a small business set-aside procurement contract awarded under Section 8(a) of the Small Business Act. It was executed by the ACTION Contracting Officer on October 28, 1977, a day on which such activity was fully authorized, and transmitted to the Small Business Administration for signature. The SBA, which was technically the Contractor, did not sign until November 2, 1977. The activities of the ACTION Contracting Officer were entirely legal and proper.

Finding: "At least 12 Peace Corps Country Directors executed contracts and leases during the October 1, 1977 - October 12, 1977 period." (P. 107)

Response: There is no question that these violations occurred. They were discovered by our Contracts & Grants Management Office on November 1, 1977. Peace Corps Directors were advised on September 30, 1977, by the Director, that there was no appropriation, and that no obligations could be incurred. None of the violations were deliberate, and all were committed by personnel scattered around the world not familiar with the intricacies of the appropriations process.

Finding: "Grants. Five Regional Offices awarded grants in the total amount of $234,436 during the early November and December periods." (P. 107)

Response: No grants were awarded (and no funds obligated) during the period in which funds were unavailable. The grants officers in the two regions involved (not five regions, as stated in the report) state that, while grant documents were prepared prior to the availability of funds, they were not executed until funds became available. One of the most firmly established principles of procurement law is that federal funds are not obligated until a grant or contract is signed by an authorized federal contracting officer. The grants officers involved were not interviewed by the investigators. All actions by ACTION employees in this regard were entirely proper.

Finding: "Interagency Agreements. ACTION executed a reimbursement to the State Department under the Foreign Affairs Administrative Support System Agreement, in an unknown amount, during the October period." (p. 107)

Response: While it is not known what "executed a reimbursement" is intended to mean, the following can be stated:

(1) ACTION did not execute any agreement of any type with the Department of State, related to the Foreign Affairs Administrative Support System payment, during a period when no appropriation was available.

(2) ACTION did not transmit fiscal 1978 funds, in any form, to the State Department during that period.

(3) ACTION did make an internal notation in its books reserving $450,000 for anticipated billings under the agreement in October 1977. The actual bill for these services was submitted to ACTION on March 9, 1978, and was certified for payment on May 2, 1978. This is the transaction that obligated funds for these services. It occurred long after funds became available.

Finding: "New Hires. .. during the periods in question, ACTION hired 128 new employees. .. The General Counsel for ACTION stated that each individual 'brought on board' received a memorandum from the Director of Personnel advising of the lack of an appropriation and the possibility of their not being paid in a 'timely' manner. The investigative staff refutes this implication regarding the acceptance of volunteer (staff) services. On this subject, the Attorney General of the United States wrote: '... the evil at which Congress is aiming was not appointment or employment for authorized services without compensation but the acceptance of unauthorized services not intended to be gratuitous therefore likely to afford a basis for a future claim upon Congress.' (1913) 30 OAG 51." (pp. 107-108)

Response: The Agency has been able to identify 85 personnel actions which may be subject to question. The balance referred to by the investigators may be Peace Corps and support staff hires for periods when Peace Corps had an appropriation. Of the 85, 18 were new hires and 67 were rehires. In all cases of hiring during this period, the personnel actions were taken because of prior commitments to the individuals that had been made at a time when the Agency had no indication there would be no continuing resolution. All these actions were ratified and confirmed when the Congress ultimately passed the continuing resolution legislation. The quotation from the Attorney General cited by the investigators regarding the acceptance of unauthorized services has no bearing on this question. It is an interpretation of a provision of law from which ACTION is specifically exempted by provisions of the Domestic Volunteer Service Act and the Peace Corps Act.

Finding: "Purchase Orders. Thirty-seven purchase orders in the total amount of some $24,000 were obligated during the period under review .... An ACTION representative contended that the date at the top of the form ... was not the date of the order, but the date the order was typed. He went on to state that a number of orders were typed but were not signed by the contracting officer until such times as ACTION had budget authority.... [I]n the absence of any other date on the document, the legal and binding date of recordation would reasonably appear to be the date found in the block 1." (p. 108)

Response: No purchase orders were executed on days on which the Agency did not have obligational authority. It is a firmly established principle of law that the signature of a legally authorized contracting officer is the only way government funds can be obligated by a purchase order. Many purchase orders were prepared in advance, and the date on the form is the date it was typed.

Finding: "Travel. Travel obligations in the total amount of $84,000 were incurred during the periods in question. Most of the travel involved volunteer staging which would have been difficult to postpone without seriously disrupting operations. Staff travel during these periods cannot be similarly justified." (p. 108)

Response: The report confirms that most of the travel obligations involved volunteers who were traveling to stagings scheduled long in advance. It was also necessary for program and medical staff to travel to these stagings. Government funds would have been wasted if the Agency allowed volunteers to remain at the staging site without accomplishing the purpose of the staging. Furthermore, much of the questioned travel began during periods for which an appropriation was available. Completion of this travel is fully authorized by law. There were a few instances of travel in periods of no appropriation, most of which included travel for activities scheduled far in advance, or travel of an emergency nature.

64

C. Failure to Report a Known Violation of the Anti-Deficiency Act (31 U.S.C. 665.)

Finding: "During an audit...in the fall of 1977, auditors for the former Inspector General Division found that an Acting Country Director had, on three separate occasions, violated the anti-deficiency statute. The violations involved the execution of three contracts in September 1977 citing a nonexistent FY 1978 appropriation. The violation was not reported to Congress or OMB as required by the statute." (p. 108)

Response: The violations have now been reported to the Office of Management and Budget and Congress as required by law. The employee was reprimanded for her actions and instructed on the proper procedures to implement during these periods.

D. Questionable Travel Practices.

Overall Finding: Ten ACTION officials, while on official travel, stayed with Country Directors in their homes, which were located in Government owned or leased housing. The travelers did not deduct the value of this housing from their vouchers. (p. 109)

Response: The ACTION General Counsel has recently determined that in all cases where housing, or a quarters allowance, is provided to an employee, the per diem of the traveler staying with the employee should be appropriately reduced. The Agency has requested from the Comptroller General an opinion on how to handle cases in which excessive per diem may have been claimed.

Finding: "Back-Door Financing of Staff Travel" (p. 110)

Perspective: The choice of language in this section is obviously meant to convey the implication that ACTION was attempting to cover up the activity of sending Agency officials to Communist Cuba and China. No such cover up was intended by the Agency.

The issue came to the attention of the investigators with the July 3, 1978 publication of ACTION Update, an in-house publication distributed Agency-wide (to the investigators' office at ACTION as well.) The cover of the newsletter contained a picture of Chinese youths and a headline - "ACTION LOOKS AT CHINA." The newsletter contained several more pictures and a four page article describing the staff member's recent trip to China and Cuba. The individual is mentioned by name. The investigators requested further information and it was provided to them.

The facts regarding this issue are as follows:

Cuba Trip:

(1) Don Eberly, a senior policy analyst in the Office of Policy and Planning and an expert in service-learning programs, signed up for a trip to Cuba with the Educational Staff Seminar Program at George Washington University to study Cuban youth volunteer programs. All other participants in the trip were federal employees. Since all other Federal agencies represented, except ACTION, were members of ESS, the other travelers received a $200 discount. Eberly planned to pay all costs himself, and to take annual leave for the 11 day trip.

(2) Irene Tinker, OPP Director, upon learning of Eberly's planned trip, offered to work out an arrangement whereby if Eberly shared the information gathered on the trip with the Agency, the Agency would pay a portion of the expenses of the trip. In return for a report, slide presentations, and a round-table discussion on the trip, the Agency offered to pay $200 to bring him to par with the other trip participants, and grant him three days of paid administrative leave. All other costs were to be borne by Eberly.

(3) Because of technical problems, the $200 was never paid, and the administrative leave was never granted. Eberly did fulfill his part of the bargain.

(4) One technical violation by ACTION did occur. Time and attendance cards filled out by a clerical employee and signed by Eberly's supervisor failed to show his absence during the period of his trip.

China Trip:

(1) Two staff members from ACTION - Don Eberly and Barbara Bolling from ACTION's Office of Voluntary Citizen Participation - participated in a Family Values Study Group trip to China, a group which included representatives from several international organizations.

(2) Each staff member paid all of his or her own expenses: ACTION made no payments to or on behalf of anyone with regard to the trip.

(3) Both staff members were given administrative leave for the trip. Eberly prepared a report, slide presentations, and round-table discussion for the Agency on the trip. Bolling used the information in a domestic violence report she was preparing for the Agency, and is writing a report for the International Year of the Child Conference, a report which will be available to ACTION.

(4) Time and attendance cards for both staff members were incorrectly filled out, but with no effect since they were both granted administrative leave for the trip.

ACTION's contributions to each of the trips were either non-existent or minimal, and the Agency received the benefit of the knowledge and increased expertise of the two employees who financed their own educational endeavors. The actions of the Agency were appropriate and aboveboard. The real finding of the investigators is that a clerical employee erred in showing the employees physically present in the office when they were in fact on annual or administrative leave.

Conclusion:

Considering the size and complexity of ACTION's financial management system, relatively few problems were discovered. The report found a recently upgraded and improved accounting system, and no intentional violation of any procurement rule or regulation was found. Absolutely no fraud or intentional misuse of Government funds was found. Furthermore, no overspending or negligent handling of funds were disclosed.

The report was valuable to the Agency in pointing out certain systems problems which the Agency has taken steps to correct. The systems are now even stronger and functioning to prevent abuse.

VII. RESPONSE TO OFFICE OF INSPECTOR GENERAL FINDINGS

A. Introduction

ACTION's Inspector General and Equal Employment Opportunity functions were merged into the newly created Office of Compliance soon after the present administration. The report questions whether a conflict of interest situation is created by this merger. The combining of Inspector General and Equal Employment Opportunity functions was a sound management decision made to conserve resources and avoid duplication of effort by including within one division the various monitoring and compliance functions of the Agency. The Assistant Director for the Office of Compliance is on the Executive Staff of the Agency, has direct access and reports directly to the Director of ACTION.

B. Report Findings and Agency Responses

1. Conflict of Responsibilities

Finding: "The merger of EEO with the usual IG functions into the Office of Compliance creates both the appearance of and a real conflict of interest ... [T]he EEO division has program responsibilities ... [which] conflict with the intent of Congress. In passing P.L. 95-452, Inspector and Auditor General Act, Congress intended that the Inspector General offices would have no program responsibilities. If there were questions about the policies, procedures, and operations of the EEO division, there could be a conflict of interest within the Office of Compliance; that is, the Investigation Division could have responsibility for resolving such questions." (p. 112)

Response: The Inspector and Auditor General Act of 1978, P.L. 95-452 does not apply to ACTION. Furthermore, the Agency reorganization which created the Office of Compliance took place eight months prior to the passage of the Act.

The merging of the Inspector General and Equal Employment Opportunity functions in a small agency such as ACTION makes good management sense. The Equal Employment Opportunity Division has as its primary responsibility monitoring the implementation of Title VI and VII of the Civil Rights Act of 1964. It has no program responsibilities. It would be a waste of Government resources in an agency the size of ACTION to maintain two separate monitoring divisions. No question has ever arisen that justifies the statement in the report that the merger of the two functions into the Office of Compliance "creates both the appearance of and a real conflict of interest." Should the Inspector General ever raise a question as to serious problems with the policies, procedures, and operations of the Equal Employment Opportunity Division, the Director of the Office of Compliance would seek independent, outside evaluation of the problems to avoid the appearance of any conflict of interest. It should be noted that the Community Services Administration (CSA), has merged the two functions into its Office of General Counsel.

The implication that the independence of the Inspector General function has been undercut by the reorganization is not supported by the facts. The principles of the Inspector and Auditor General Act of 1978 are reflected in the design of the Office of Compliance. The requirements of an independent Inspector General, including access to all books and records of the Agency, responsibility for program as well as fiscal audits, and the ability to report to the Agency Director, were provided for in the design of the Office of Compliance. ACTION Order 1101.7, which created the Office of Compliance, states in part that "the I.G. Division, through the Director of Compliance, provides an independent, senior level, central authority to review, monitor, and investigate any and all programs and operations of ACTION..." The Director of the Office of Compliance is on the Senior Staff of the Agency and has immediate access to the Agency Director.

2. Responsibility for Referring Cases to Department of Justice

Finding: ""...Responsibility for determining whether a case should be referred to the Department of Justice (Title 18, U.S.Code) was transferred from the IG to the Office of General Counsel. The Investigative Staff feels this is contrary to the intent of Congress." (p. 112)

Response: Where required by law, the Inspector General has authority to report violations directly to the Department of Justice. However, it is perfectly appropriate and responsible for the Inspector General to seek legal advice from the Office of General Counsel in determining whether a legal violation has occurred and whether such violation should be reported to the Department of Justice. ACTION Order 1101.7 states:

> "Where required by law or deemed appropriate by the General Counsel and the Inspector General, cases are referred to the Department of Justice for possible prosecution."

C. Conclusion:

The combining of the Equal Employment Opportunity and Inspector General functions during the reorganization was a sound management decision which resulted in conserving resources and avoids duplication of effort by including within one office the various monitoring and compliance functions of the Agency.

The Office of Compliance is a strong function within the Agency. The Director of the Office of Compliance has direct access and reports directly to the Director of ACTION. The investigation report demonstrates the viability of the office by its continued references to issues discovered and dealt with during the Office's routine monitoring of Agency functions.

ATTACHMENT "A"

ACTION *Memorandum*
WASHINGTON, D.C. 20525

TO Mary Leyland, Assistant Director for Administration and Finance

DATE 2-14-79

FROM Sam Brown, Director

SUBJECT Improvements in Personnel and Procurement Functions of the Agency

As a result of the work of the Investigative Staff of the House Appropriations Committee, several areas have come to light in which the Agency needs to strengthen its practices and procedures. I am requesting that you take steps to address the following problems, and submit a progress report to me in two weeks:

I. Personnel Management

1. Increase efforts to ensure that the quarterly report on experts and consultants is accurate, and compare this report with payroll and accounting records.

2. Ensure that the Personnel Division obtains information from all Agency offices regarding experts and consultants needed by the Office of Management and Budget.

II. Contracts and Grants Management

1. Develop and present a training session in procurement policies and procedures to all program personnel which should emphasize the program officials' proper role and extent of authority in the procurement process.

2. Develop necessary procedures to ensure that ACTION Order 2620.1, Procurement Planning and Information System, continues to be adhered to, and that appropriate action is taken in the event of noncompliance. Models should be developed for use by program offices in preparing requirements for recurring services to reduce initial preparation time and allow for faster incorporation of changes.

PEACE CORPS • VISTA • UNIVERSITY YEAR FOR ACTION • NATIONAL STUDENT VOLUNTEER PROGRAM
FOSTER GRANDPARENTS • RETIRED SENIOR VOLUNTEERS

61

3. Take additional steps to continue to reduce the backlog of unclosed contracts, including detailing or contracting for additional personnel to carry out this function if necessary.

4. Set up procedures to ensure the following:

a) The Contracts and Grants Management Division continues the practice begun in July 1978 of synopsizing intended sole source procurements;

b) The Contracting Officer evaluates and signs the "Determination and Findings," authorizing procurement by negotiation, before any negotiation begins;

c) The Contracts and Grants Management Division continues to follow the Federal Procurement Regulations concerning Certificate of Current Cost or Pricing Data.

d) Any violations of the Anti-Deficiency Act are promptly reported to Congress and OMB.

5. Present to me a proposed list of individuals who would be appropriate employees to serve on a panel that will evaluate all phases of the procurement process in ACTION and will issue a report detailing any deficiencies and recommend improvements that could benefit the Agency and the public.

III. Travel

Instruct the appropriate office within the Office of Administration and Finance Department to amend Peace Corps MS 812 concerning payment of per diem when staying in government provided housing to reflect the recent opinion from the General Counsel's Office on this subject, i.e. that staff may not claim full per diem when staying in houses paid for by the government, whether through a direct lease or through quarters allowance.

ATTACHMENT "B"

October 3, 1978

Office of General Counsel

Guidelines Regarding Labor Related Activity: VISTA NAFO Grant

Facts

NAFO is a nonprofit umbrella organization whose members are farmworker groups across the country. None of NAFO's members are labor organizations, and NAFO does not take part in any union organizing activity. The NAFO VISTA grant has an innovative structure: VISTAs are assigned to work with family crews of migrant farmworkers as they travel from state to state picking crops. The VISTAs' assignment is to help create an organizational structure within the crew which can address the problems facing the farmworkers in their daily life. As the VISTAs travel with the crews from site to site, they will be in touch with local NAFO affiliates in the area, as well as in touch with the NAFO project supervisor.

Farmworkers need assistance in dealing with a number of issues, including day care, health, housing conditions in the camps, getting credit from local businesses, food stamps, education for their children, etc. The particular problems addressed by the crews to which the VISTAs are assigned will be selected by the crew members themselves. Since so many of the problems affecting the daily lives of the farmworkers stem from their status as workers, questions have been raised concerning the permissible activities of the VISTAs in light of the prohibitions on labor or anti-labor organizing activity contained in Section 404(d) of the Domestic Volunteer Service Act.

Discussion

Section 404(d) reads as follows:

> "(d) No funds authorized to be appropriated herein shall be directly or indirectly utilized to finance labor or anti-labor organization or related activity."

The legislative history of Section 404(d) helps to shed light on the meaning of "labor or anti-labor organization or related activity." The House amendment adding this particular language to the OEO legislation was offered in 1967 by Congressman Gubser, who was concerned about labor organizing activity in his district. Employees of an OEO grantee had been organizing farmworkers and car washers for the purpose of joining unions.

In proposing his amendment, Mr. Gubser pointed specifically to a GAO report issued on November 13, 1967, which details activities of certain OEO trainees who were recruiting farmworkers to join the United Farm Workers Organizing Committee, chartered by the AFL-CIO, and who were also organizing car washers in the Los Angeles area to work for better wages and working conditions.

The OEO trainees involved with farmworkers were clearly engaged in union activities. They were driving people to picketing sites, making signs for picketers to use, recruiting members for the union, collecting dues for the union, and receiving instruction in strike techniques. The car washers were being organized to form buyer clubs, but the OEO grantee argued that its activity was "pre-union" and should not be prohibited. GAO rejected this argument because the grantee had met with union officials to discuss union representation. It was GAO's opinion that such activity was sufficient to bring the workers' efforts within the meaning of labor "related" activities. The fact that the car washers were not yet dealing with employee-employer problems but were still in the recruiting stage did not alter this conclusion, because the ultimate goal of the organizing was the formation of a union. GAO concluded that the OEO trainees were engaged in union organizing or related activities in violation of OEO and HEW policy.

Thus it is clear that the statutory prohibition contained in Section 404(d) covers more than the collective bargaining activities traditionally connected with union organizing. Because the persons with whom the VISTAs will be serving are workers, however, it does not necessarily follow that all activities in connection with farmworkers involve impermissible labor organization or related activity. For the purposes of analysis under 404(d), potential volunteer activities may be divided into several categories. First are those activities relating to the terms and conditions of employment, which are the subject of direct negotiation with the employer. These are the activities which have traditionally been the subject of collective bargaining, such as wages, hours of work, and the right to strike. These clearly fall within the prohibition of 404(d). Also clearly prohibited are any activities involving an established union, such as recruiting members or collecting dues. VISTA volunteers may not participate in any of these activities, including labor organizing which falls short of actual negotiation with a union or the employer, as in the example of the car washers discussed above.

A second category of activities are those which are not related to terms and conditions of employment, and which do not involve negotiation with the employer. It is our opinion that these types of activities do not violate Section 404(d) because they deal with non work-related issues. Permissible activities for the VISTAs would include dealing with local agencies involving such services as food stamps, education, health care, etc., or working out arrangements with local businesses to extend credit to farmworkers.

A third category of activities are those which involve job-related problems which can be resolved either through negotiation with the employer or through referral to other agencies, whether local, state, or federal, responsible for enforcing rights guaranteed by law or regulation. Examples of these problems include complaints falling under the Occupational Health and Safety Act, violations of public health regulations due to unsanitary conditions in farmworker camps, violation of Environmental Protection Agency guidelines on use of pesticides, etc. It is our opinion that VISTAs may not be involved in direct negotiation with the employer on these types of problems. Volunteers may participate in organizing farmworkers around issues which might involve negotiation with the employer at a later date as one means of resolving the problem, as long as that is not the focal point of the volunteer's activity. Direct negotiation with the employer about a work related problem comes close to bargaining about terms and conditions of employment, which would be prohibited under 404(d). However, VISTAs may assist farmworkers in referring their work related complaints to the proper authorities and working with them for resolution under applicable law.

Although not every fact situation falls neatly into one of these three categories, we feel that the principles outlined above should provide guidance to VISTA volunteers and NAFO staff to enable them to have a successful project which addresses the needs of the farmworkers while not running afoul of Section 404(d). These principles have been generally discussed with NAFO staff, and we have been assured that neither NAFO nor the VISTA project has any connection with traditional union organizing activity. However, as discussed above, the prohibition of Section 404(a) covers more than just traditional union organizing. In order to be sure that the guidelines set out in this opinion are understood by all concerned, they should be made available to all volunteers at the time of training, all NAFO affiliate organizations which will be assisting the VISTAs in the field, and NAFO staff who will be supervising the volunteers. Finally, the Office of General Counsel is more than willing to offer advice on questions dealing with specific fact situations as they arise.

ADDITIONAL STATEMENTS

TESTIMONY OF RUTH MACKENZIE SAXE, EX-DEPUTY, PEACE CORPS
SENATE COMMITTEE ON HUMAN RESOURCES, SUBCOMMITTEE ON CHILD & HUMAN DEVELOPMENT

March 1, 1979

Mr. Chairman and Members of the Subcommittee on Child and Human Development, thank you for inviting me to testify about the Peace Corps as it relates to the ACTION agency. Rather than appear in person, I have submitted my comments.

I was employed at the Peace Corps for somewhat less than one year. I served as Deputy to Carolyn Payton and resigned in November 1978 at the time Dr. Payton resigned as Director of the Peace Corps. Previously, I had worked at the Peace Corps from 1963 to 1970.

I have been asked to address three points: 1) ACTION's administration of the Peace Corps; 2) who should administer the Peace Corps; and 3) the use of funds appsopriated by the Congress for the Peace Corps by the ACTION agency. My comments on each point follow.

1) ACTION's administration of the Peace Corps. I am among those who had grave doubts about the wisdom of Congress in allowing the Peace Corps to become a part of ACTION when this occurred in the early 1970's. Having now seen the Peace Corps operation under ACTION and contrasting it with its operation as an independent agency, I have no doubt that placing Peace Corps under ACTION was

a mistake. Two problems of the Peace Corps today appear to me to stem from its position within ACTION: a confusion of purpose and a lack of support for its operations.

The Peace Corps is a simple idea. Its purpose is clear -- to promote world peace and friendship -- by making available to interested countries Americans willing and able to serve to help the people of such countries meet their needs for trained manpower.

In contrast, the purpose of ACTION appears to be unclear. Its current leadership has stated its purpose is community organizing. In my view this purpose is incompatible with that of the Peace Corps, as I do not believe it is appropriate for American Peace Corps Volunteers to be engaged in community organizing overseas unless expressly invited to do so by a host government. Another Director of ACTION may have a different philosophy as to its purpose which may be equally at odds with that of the Peace Corps's mandate. However, if the Peace Corps is the international arm of ACTION, it is unavoidable that the Peace Corps take on the coloration of the leadership of ACTION, whatever it may be.

The quality of support for Peace Corps operations today contrasts most unfavorably with that available in the 1960's when I was closely involved with overseas operations for seven years. This appears to me to result from ACTION's overload in trying to deal with both a complex domestic U.S. operation involving grants, stipends, a wide variety of community programs and support of regional and state offices, as well as the farflung operations of the Peace Corps in some 65 countries overseas. The current arrangement is analagous to asking H.E.W. to support the activities of the State Department and A.I.D. -- including joint recruitment of staff and volunteers, budget and finance, administration, program evaluation, Congressional relations, as well as programs and plans. I do not believe it is in the interest of either the domestic or overseas operations for the support functions of two such disparate programs to be combined. This arrangement operates to the detriment of the Peace Corps, and I would assume that it also adversely affects the quality of support available to ACTION's domestic activities.

As to the administration of ACTION under its current leadership, I will simply state that I am not ~~as not~~ an admirer of a management style which appears to use political appointees for ceremonial purposes, reserving both policy and operational decision-making to a cadre of special assistants. Nor do I believe that rhetoric is a substitute for solid, bottom-up program building. I was disappointed in the current ACTION administration on both counts.

2) Who should administer the Peace Corps? For the reasons cited above, I believe the Peace Corps should once again be an independent agency, as at its inception. My experience has not demonstrated to me that "volunteerism" is a valid unifying principle for ACTION's domestic volunteer programs and the Peace Corps, which in my view has gone steadily downhill since it became a part of ACTION.

3) The use of funds appropriated for the Peace Corps by the ACTION agency. A formula has been in use for the past several years which determines how many dollars the Peace Corps should transfer to ACTION for shared administrative support. This formula is based on the number of employees in each ACTION program. In the case of the Peace Corps, which has some 60 overseas offices and a large number of local hire, the total of Peace Corps employees is higher than any other ACTION program, and the Peace Corps' share of shared administrative costs is over 60 per cent of total ACTION costs. The services provided range from recruitment of

Peace Corps Volunteers and staff to budget, program and planning, General Counsel, Congressional relations, evaluation, administrative support, medical examinations and medical care of Peace Corps Volunteers. The Peace Corps Director has no control over any of these essential functions, and my experience was that we either had to beg for service or fend off those services -- such as program planning -- which we did not want or find appropriate.

I believe it would be impossible to prove that the Peace Corps "does not get its money's worth" under this arrangement, and indeed ACTION has several times recently provided information to the Congress which indicates that a separate Peace Corps would be much more expensive to run than a Peace Corps under ACTION. Some of us who worked at the Peace Corps in the 1960's took exception to the proposition that operations were more efficient and cost-effective under ACTION. Having perused the "Weekly Reports to the ACTION Director" submitted by the various support offices, it was obvious that Peace Corps was not consuming 60 per cent of the time and effort of those offices. In the Office of Congressional Relations which had 13 employees, for example, at most three were involved in Peace Corps matters. In the Office o

Policy and Planning, scores of employees worked on "policy and planning" for ACTION, paid for 60 per cent by the Peace Corps. Whether they were concentrating on urban initiatives -- while the ACTION leadership directed the Peace Corps overseas to concentrate on rural development -- or on health programs, unrelated to actual Peace Corps field experience, funds appropriated for the Peace Corps paid their salaries for activities seen as inappropriate to Peace Corps needs. At the same time, the Peace Corps Director begged the Evaluation division of that office for the type of evaluation of country programs conducted for the Peace Corps when Sargent Shriver was Director, which she felt were necessary to her management of the Peace Corps program. This type of support was not available.

I personally spent many hours attempting to persuade the Office of Recruitmen Communications of the need for different types of Peace Corps recruitment literature and for a Peace Corps Volunteer newspaper. Because the Office could not supply writers or design people on a timely basis, I had to end up doing the work myself or recruit people for part-time work -- paying them out of Director's Office funds -- to accomplish the objective. Thus the Peace Corps had to pay twice -- once in support of the Office of Recruitment and Communications to the tune of 60 per cent of that Office, and once more to actually obtain the services or product the Peace Corps required. Similar situations occurred with respect to budget preparation, evaluation, personnel and other offices.

These are just a few examples of the type of waste of time, money and energy involved when the Peace Corps must rely on ACTION for its vital services. I question whether funds appropriated for the Peace Corps are well-used under this arrangement.

I further question whether there should, in fact, be a Peace Corps Director at all under the ACTION arrangement, since all the functions essential to the Peace Corps are accountable only to the Director of ACTION and are in no way under the control of the Peace Corps. The Director of the Peace Corps is thus left with a good salary and the public responsibility for the Peace Corps, but little else.

UNIVERSITY OF CALIFORNIA, LOS ANGELES

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OFFICE OF EXPERIMENTAL EDUCATIONAL PROGRAMS
LOS ANGELES, CALIFORNIA 90024

February 13, 1979

TO: The Honorable Senator Alan Cranston and Members of the
Subcommittee on Child and Human Development, U. S. Senate

RE: Statement for the Hearing on the Reauthorization of the Domestic Volunteer Service Act of 1973, in Reference to the Continuation of University Year for Action (UYA) and the National Student Volunteer Program (NSVP), Conducted on February 8, 1979, Washington, D. C.

At the request of Dr. Robert F. Sexton, General Secretary of the Coalition for Alternatives in Post Secondary Education and other former or current directors of UYA programs, I have agreed to comment on our concerns about the future of UYA and NSVP. This document is based on observations and experiences, including my own while directing a UYA program (1973-1977) and it successor, the UCLA Community Service-Learning Center. Therefore, the views expressed should not be interpreted to be the official position of any particular institution or of other individuals. This document is being circulated to members of the Coalition and interested UYA directors for their comments. The comments will be forwarded to you directly as those persons deem appropriate.

The concept of "service-learning" as provided by the Domestic Volunteer Service Act of 1973 has significantly mobilized college and university resources to meet the needs of "needy communities." UYA, despite its many problems, has enabled many institutions to establish service-learning programs. NSVP assisted by sharing knowledge and experiences in this area. While ACTION has been critical of its "institutionalization record," the problem does not lie in the termination of service-learning programs when UYA funds stop, but in the rigid and narrow definitions, and therefore criteria, ACTION has imposed on the institutionalization of service-learning programs. Aside from the ACTION Agency itself, there is strong consensus among both educational institutions and needy communities that service-learning is an effective and meaningful vehicle in mobilizing student and educational resources to assist communities in need. Therefore, we strongly urge the reauthorization of *both* UYA and NSVP as they provide, respectively, the seeds and nourishment essential to the well-being of service learning.

Not only do we support the continuation of UYA and NSVP, we recommend that the requirements for UYA programs be broadened and made flexible in order to be more responsive to the local institutional sponsors and communities to be served. Recommendations presented to ACTION by the Educational Policy Research Institute of the Educational Testing Service (ETS),[1] if implemented, will enable sponsors to be more responsive to the local conditions presented by communities in need of services.

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[1] Please see *ACTION's Education Program: Alternative Roles* (Interim Technical Draft), (Washington, D. C.: Educational Policy Research Institute of Educational Testing Service, May 15, 1978).

However, the ETS recommendations neglected to address the problem of ACTION policies that are contrary to the mission of the institutional sponsors, namely education. In other words, though UYA is intended to provide service-learning, ACTION thus far has attended only to service and not to learning, making no distinction between VISTA and UYA. Our recommendation to broaden the requirements for UYA programs is based on two observations:

(A) the nature of communities that can benefit from student and college/university resources are varied and often unique. Provisions should be accomodating and flexible so that institutions may respond to any and all communities in need;

(B) colleges and universities through their students have a unique contribution to make to needy communities, but they cannot make them at the neglect of their major mission, namely, education.

The plea, therefore, is for policies to be equally sensitive to both service and learning. Such a symbiotic relationship is possible, as has been demonstrated by many, and should be encouraged.

If service and learning are to be stressed equally, then the agency assigned to administer UYA and NSVP must reflect this commitment in its administration. At this juncture, ACTION has chosen not to support UYA and NSVP at all. Given this situation, UYA and NSVP should be assigned to some other agency having a thorough appreciation and understanding of the intent and concept of "service-learning."

In summary, then, we recommend the following:

(A) Despite numerous problems in administration, UYA has generated the establishment of many valuable service-learning programs throughout the United States, with the technical assistance of NSVP. Therefore, both UYA and NSVP should be reauthorized.

(B) The local communities and educatonal institutions vary greatly in terms of their respective needs and capabilities. Therefore, requirements for UYA programs should be broadened to accomodate these variations, paying equal attention to both the service and the learning aspects of the program.

(C) Interest, appreciation, and understanding of the service-learning concept embedded in UYA and NSVP are essential ingredients in the effective administration of these programs. Since ACTION is lacking in these characteristics, a more qualified federal agency should be assigned the responsibilities for UYA and NSVP.

In making these recommendations, we understand that there are other concerns that the Subcommittee must entertain. Nevertheless, we feel that the above are critical considerations for the effective use of UYA and NSVP.

Jane S. Permaul

Respectfully submitted by Jane S. Permaul,
Dean, Office of Experimental Educational Programs, UCLA
Vice President, National Society for Internships and Experiential Education (formerly the Society for Field Experience Education and the National Center for Public Service Internship Programs)
Member of the Council for the Advancement of Experiential Education's Board of Trustees

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May 4, 1979

JOHNNY APPLESEED SELF HELP PROGRAM

An Institute Proposal

In the past 15 years numerous programs have been launched by the Federal government, or with Federal support, to improve the lot of the poor in America's cities. Experience with those programs has led to the sponsorship, by Senator Alan Cranston and others, of Domestic Volunteer Services Act Amendments of 1979 (S. 239). These amendments would authorize the creation of a new program, under the auspices of ACTION, to be called the "Urban Neighbors Program" (§7 of S. 239 new Title I-D of the Domestic Volunteer Service Act of 1973, 42 USC 4951 et seq.)

Under the proposed program, the Director of ACTION, with the concurrence of the mayor of the city, would be authorized to provide financial assistance to public or private nonprofit agencies to support the effort of teams of professional employees and volunteers to carry out community revitalization and service programs in distressed neighborhoods. The programs would include development of a resource bank, creation of neighborhood self-help organizations, recruitment of volunteers, coordination of volunteer and agency service programs, and other consistent actions. The Director is authorized to make seed-money grants to nonprofit neighborhood organizations to promote volunteer self-help programs, up to $15,000 per year. The National Self-Help Development Fund, created by the Housing and Urban Development Amendments of 1978, can also be used to support such a program.

The purpose of this memo is to suggest one particular way of organizing an Urban Neighbors Program to provide maximum encouragement to selected highly-motivated persons to stimulate needed neighborhood revitalization. It is called the "Johnny Appleseed" program, after the famous frontiersman who walked through the Midwest, leaving apple orchards in his wake.

The lead agency under this program would be a public or private nonprofit organization, including foundations, churches, business groups, unions, etc. The more lead agencies involved, the more salutary the competition for results.

The participants would be highly motivated persons recruited by the lead agencies. They could be recent college graduates, retirees, city employees, persons at a career change point, business or union executives on leave, etc. The Peace Corps recruiting model would be appropriate.

The lead agencies would provide orientation to their teams. Two weeks should be sufficient. Participants could work as individuals, or they could organize their own team of 3-5 persons with complementary skills. Teams could be generalists, or could organize around particular problem areas (housing, health care, economic development, etc.)

Community sponsors would include neighborhood organizations, block clubs, business groups, churches, etc. in target neighborhoods. The community sponsor would define the scope of community needs, and the lead agencies would send teams out to be interviewed by community sponsors. The community sponsor would select a team or individual and arrange suitable housing in the neighborhood. Part-time community volunteers would be added to the teams by mutual agreement.

The lead agency, funded by ACTION, would pay reasonable subsistence to full-time participants, plus health and liability insurance. In addition, the lead agency would create a team checking account in a community bank on the order of $20,000-$40,000, part of this from ACTION, part of it local contribution. This account could be used in any way by the team, other than for personal enrichment and illegal payments. The team would be free to augment this account by fund raising activities in the neighborhood.

The community sponsor and its selected team would develop a set of problem statements and expectations as a guideline for team efforts.

The lead agency and the community sponsor would assembly a resource bank in or near the community, composed of persons with know-how and access to needed resources. Members of this Resource Bank would be available for quick consultation and advice to the team, but could not raise case for the project (other than in-kind contributions.) The resource panel would include civic leaders who have shown creativity and drive in their own careers and who have a commitment to community improvement.

ACTION, in cooperation with other agencies and private organizations (like the National Center for Voluntary Action and the National Self Help Resource Center), would create a National Awards Panel, composed of individuals with a long track record and personal experience in neighborhood revitalization and self-help efforts. This panel would develop standards for judging the performance of local projects and teams.

This National Awards Panel would, at the end of each time frame or cycle, judge each neighborhood project in light of its program accomplishments, creative use of resources, stimulation of neighborhood volunteer contributions, prospects for sustaining the effort without further Federal support, etc.

The best teams or individuals would win cash awards, scholarships, or assistance in career placement, as appropriate, as a reward for excellence.

This program offers maximum flexibility and opportunity for entrepreneurially-minded individuals to solve problems. It should therefore attract many such people who are not now attracted to ordinary voluntary action programs.

The program offers a stimulating challenge to a wide variety of community groups, including the stimulation of competition for results .

The program emphasizes creative mobilization of resources and volunteers at the community and neighborhood level.

The program requires essentially no administration by ACTION, once the program is developed and announced. The writing of subsistence checks to team members, the making of one-time grants to community sponsors, and the nominal support of the National Awards Panel would comprise the bulk of the administrative duties.

It would appear that the initiation of a Johnny Appleseed program would be possible within the proposed language of S. 239.

[NOte: The author of this proposal is John McClaughry, President of the Institute for Liberty and Community. From 1973-1975 he was a Presidential appointee to the National Voluntary Service Advisory Council, reviewing the operations of ACTION. From 1978-79 he was a Presidential appointee to the National Commission on Neighborhoods. The foregoing proposal is a revised version of a similar proposal first presented to a HUD conference on neighborhood self-help, held in Washington on June 2-3, 1978.]

Robert Clifton

UNIVERSITY YEAR FOR ACTION--AN IDEA WHOSE TIME "SHOULD" HAVE COME

Neil Postman once wrote a satirical article titled, "Once Upon a Time--A Fable of Student Power." In the article, Postman wrote about how life very nearly came to an end in a major city in this country. "The streets were covered with dirt, and there was no one to tidy them. The air and rivers were polluted and no one could cleanse them. The schools were rundown and no one believed in them."

Postman continued to write, "Thus, though a state of emergency officially existed, neither the Mayor nor anyone else could think of anything to do that would make their situation better rather than worse. And then AN EXTRAORIDNARY THING HAPPENED!"

Postman's extraordinary happening was that an aide to the Mayor suggested that the students of the public schools and the colleges of the city could "be used as a resource to make the city livable again." "'But how can we use them?' asked the Mayor. 'And what would happen to their education if we did?'"

"To this the aide replied, 'They will find their education in the process of saving their city.'"

In the early summer of 1974 I was serving as Chairman of the Political Science Department at Metropolitan State College in Denver and experiencing some serious introspection as to the value of higher education in general and political science in particular.

Through the latter part of the 60's and the early 70's, the political science departments in colleges throughout the country seemed to many to be the logical training ground for those individuals who wanted to do more than simply study the theories of democracy, justice and freedom.

People ventured into new experiences with an almost messianic zeal that life for the "have nots" of this country not only should be better but that it could be.

I shared in that enthusiasm and euphoric hope, but by 1974 it was becoming clear to me that the "answers" some of us were looking for were not being found in the theory of Marx's Dialectical Materialism, the pablum of nationalistic rhetoric or the huge protests and marches on the various state capitols.

I also began to reflect on those young people taking my political science classes who were, by my definition, sensitive, caring and extremely bright. Those students who loved their country but wanted to make it better. Those students who took their political science degrees, often times with honors, and, along with their ability to wait on tables, found employment in various bars and restaurants upon graduation. Of course, for some there was graduate school and the continuation of the search. For others, there were the "opportunities" of selling, construction work or simply dropping out. A few would achieve the mecca of a level 5 or 6 in the Federal bureaucracy.

I reasoned with myself that there had to be other options available for these young people who wanted nothing more than to make a livable income performing services that were satisfying to themselves and, hopefully, making life better for others. It then occured to me that there already existed tens of thousands of jobs waiting for this kind of graduating student. The jobs were the directorships and program coordinators of the thousands of small, non-profit, community service and social service agencies found throughout the nation. The services of these programs include such areas as drug/alcohol counseling, alternative education, citizen advocacy, help for the aging, referral and general community development and many others.

Robert Clifton

The staffs of these small agencies typically consist of a director, an assistant director or project coordinator, a secretary (usually part-time) and a volunteer support system. Operating budgets may run as high as a quarter of a million dollars but more often would be in the $30,000 to $70,000 range.

It is estimated that in the Denver area alone more than 2,000 programs could be identified in this category. Denver probably is not unique in number or type of such programs for a city of its size. Multiply the number of programs found in the Denver area by the hundreds of metropolitan areas and thousands of smaller municipalities throughout the nation and one can begin to glean a feeling of the enormous size of this somewhat undefined service area of our society.

The problem in 1974 was and continues to be one of longevity for these programs. A good intention is transformed into an idea and further developed into an actual proposal for funds. Indeed, that whole period of the late 60's and early 70's represented a beautiful example of concern and sensitivity by thousands of young people in efforts to alter the cycle of poverty and the human deprivation of the city; but that period also proved that feelings alone are not enough to alter these conditions.

In higher education, we were graduating any number of people who had a comprehensive understanding of human nature, but who had little, if any, knowledge of how to prepare a budget that would stand the test of accountability. In the political science departments, our students were experts on the theories of Marx, Locke and Hobbes but had no appreciation of the need to be able to develop a proposal that could be funded, write a formal report for a board of directors, or diagram a system that would show behaviorial objectives and methods of assessment.

Robert Clifton

In short, the nation had developed excellent rationale and enthusiasm for social action and community service programs, but we had neglected to develop the educational systems needed to equip the leaders and the directors of those programs with the critical skills and methods required to make them effective.

What we needed was a national program that could integrate the needs of the student to learn specific skills, earn academic credit and gain practical experience along with the demands of the communities for social programs that would be administered both efficiently and effectively. What we needed was what the federal ACTION agency gave birth to in 1971, a program called University Year for ACTION (UYA).

Victor Hugo wrote that nothing is so powerful as an idea whose time has come. The social and political climate of this nation in 1971 seemed almost perfect for the development of the idea establishing the University Year for ACTION program. Yet, eight years later, UYA as a national program is all but dead. Why? What happened? Since 1974, I have been the director of a UYA program at Metropolitan State College in Denver. Through the experience and knowledge gained through these past five years, I would like to outline some of the reasons which I believe eventually killed this potentially powerful concept.

The topics to be discussed here are not in any particular order of priority. Nor are they to suggest that each item was a negative factor in every UYA program. But, if a postmortem is to be made on the cause of death of the UYA effort, the following areas are at least the vital signs which must be examined.

Appointment of UYA Directors without institutional clout. The point to be made here is not that ACTION could have or even should have rejected funding awards unless a faculty member of some standing within the college or university was appointed director of the program. The difficulty was that ACTION never seemed to fully appreciate how absolutely critical it would be to the ultimate survival of the local program to have a director with a thorough knowledge of the rather pristine and haughty ways of academia.

I believe this problem could have been significantly lessened by the hiring of one person by ACTION who had both a strong sensitivity and belief in service learning and also the comprehensive background, experience and credentials within adademia. Such an individual could have been used as an advisor to those schools who had been awarded planning grants for UYA programs. There exist in almost every higher education institution the mechanism and the people to make a UYA program successful. The secret is in knowing where to look, when and how to ask for certain things and which conflicts to take on and which to avoid.

Lack of understanding of the importance of curriculum changes and alternative approaches to learning. Regardless of the attitude of a specific educational institution toward service learning, nearly every school has some faculty members who would welcome the opportunity to explore new educational approaches in methodology. But even with a desire for experimentation, certain basic changes in curriculum and learning methodology are necessary. The suggested ACTION advisor to planning grants, previously noted, could have been extremely helpful in this area.

Radical curriculum changes were not required nor desirable in order to make a UYA program successful. The rather naive and uninformed approach by ACTION, however, was that "arrangements" could be made with individual instructors for something equal to an independent study for students participating in the UYA program. In effect, students were asked to sign up for a regular class but would then meet the requirements of that class through the fulfillment of some vague UYA related experience. Usually, some evidence of having read a certain number of books and/or a paper outlining the actual experience were the methods used for grade evaluation. Such an approach was unfair to the faculty member, negated the purpose of the class, was unrewarding to the student and significantly reduced the quality and reputation of the UYA program.

Experiential learning, which was at the heart of the whole UYA concept, is an extremely complicated and demanding approach to education. UYA could have become the vanguard model of the future for service learning. Instead, students were given non-transferable academic credits under headings such as Field Experience, Experimental Studies or simply UYA. Maybe even worse, they were given credits in academic areas such Sociology, Psychology, Philosophy, History or Political Science with little appreciation of the original intent or purpose of the courses in those areas.

Requirement that participants be both full time students and full time volunteers. This requirement necessitated an active imagination on the part of the local director to keep finding ways which made it appear to the Regional and National offices of ACTION that an individual could act full time in two different areas. The reason for this maneuvering was simply--the requirement cannot be met! According to ACTION terminology, UYA participants were to serve as "agents of change" in local communities. Further, this was to be a *full time* effort even to the extent of being "on call" 24 hours a day. In addition, UYA participants were also expected to be *full time* students in some mysterious way that allowed them to receive "credit" for their *full time* involvement in the community. As already noted in the discussion on curriculum, this requirement to work *full time* in two separate efforts was only possible through spurious methods of "awarding" credit.

Service learning or experiential learning requires a sophisticated mixture of classroom theory, independent study and research and applied testing concepts.

Robert Clifton

The potential uniqueness of the UYA approach was that limited energies and resources could have been integrated to maximize the total impact. To do this, students needed legitimate, meaningful, transferable credit. They also needed the direction and wisdom of instructors and peers found in the "safety" of classroom settings to theorize on the ways to become effective "change agents." And they needed the opportunities to apply those theories and at the same time become a valuable resource in helping to solve and overcome the social and human problems of the communities. An enormous challenge? Yes, but what an opportunity!

Dependence on Stipend Money for Continuation of Program. Stipend money for UYA participants (usually called living allowance) was a multi-edged sword. Particpants were warned of dire consequences if any other income was earned while they were in the program. Yet, the maximum amount available would have eliminated nearly every participant, had they been literally forced to live on the amount allowable. It was also never clearly determined how other financial support systems, i.e., food stamps, unemployment compensation, educational loans, college financial aid, etc., related to the UYA stipend.

An even greater problem, however, was that UYA stipend money became the cornerstone for continuation of the local program. If the student support money had been withdrawn most programs would have died overnight. The reason, of course, goes back to the problems associated with failure to develop programs which were truly valuable to the students (beyond money), academically sound, and fulfilling to both the purpose of higher education and the needs of the communities.

Institutionalization of UYA programs. One of the major expectations by ACTION was that a local UYA program would be "institutionalized" into the permanent hierarchy of the sponsoring college or university. Given all the other problems associated with the UYA effort, it probably goes without saying that such assimilation rarely occurred.

Other difficulties notwithstanding, however, ACTION guidelines really did not allow for the kind of flexibility necessary to phase out a local program and permit it to be integrated into the regular curriculum. There are many reasons for this but the most obvious was the full time student-full time volunteer requirements. ACTION may not have perceived the impossibility of this dual time and energy expectation but colleges and universities certainly do.

Non-existent evaluations of UYA program by ACTION. Most of the items presented in this article were widely discussed and were of common concern among directors and staffs of UYA programs throughout the nation. In addition, state program officers and national administrators of ACTION UYA programs were equally aware of the reasons UYA programs were not succeeding. The tragedy was that no serious effort was ever made to use the experiences, successes and even "mistakes" of the past to convert the UYA concept into the powerful force it could have been.

Instead, regional offices were fed the information that was expected in quarterly reports and the Educational Testing Service produced annual charts on the numbers of volunteers, minority participation, agencies serviced and so forth. When Sam Brown became Director of ACTION he initiated a citizen study program to determine whether or not various ACTION programs should be terminated or continued on the basis of meeting community needs. Local teams were to personally visit and discuss problems of individual programs in all ACTION efforts including UYA.

On the basis of this "localized needs assessment" it was determined that the UYA program would be terminated and funds no longer be requested to sustain it. In a sort of dying effort, thirteen UYA directors met in San Diego in 1978 with Frank Rey of the national ACTION staff to see if there was any possibility of saving the concept. Mr. Rey stated that the local evaluations simply did not warrant the continuation of the program. But when the question was asked among the thirteen directors present how many of them had been visited or had personal discussions with local evaluation teams, the answer was none.

The Future of Service Learning. Each issue of Synergist, the in-house publication of ACTION, is filled with articles on ways in which the resources of colleges, government and the community can be linked in order to more effectively meet the social problems of our nation. The entire 1979 Winter volume was devoted to the notion of service learning. Incredibly, there was not one single reference to the knowledge and experience gained in the eight years UYA was in existence!

This nation is not going to suddenly revert to a 19th century attitude toward the solution and responsibility of our social problems. Drug and alcohol misuse is obvious. Juvenile delinquency is a fact. Illiteracy increases. The aging process continues. Poverty is real. Wishing these things didn't exist will not make them go away. The primary question remaining is what will be the most effective and least costly way of providing prevention, treatment and positive improvement to those social conditions which drain our emotional and physical energies as a city, a state, and a nation.

And the Mayor asked, "and what would happen to their education if we did?" "To this the aide replied, 'They will find their education in the process of saving their city.'" UYA, an idea whose time "should" have come.

About The Author

Dr. Clifton is a former professor and Chairman of the Political Science Department at Metropolitan State College in Denver. For the past five years he has been the Director of a University Year for ACTION program at MSC. Through the UYA program, Dr. Clifton has developed a whole new academic major in The Administration of Community Services with an emphasis on service learning. He is the co-editor of a new book to be available this Fall titled, "Grassroots Administration."

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February 1, 1979

MEMORANDUM

TO : Herbert J. L. Baum, Chairman
National SCORE Council

FROM : Walter P. O'Rourke, Chairman
NSC Legislatives Affairs Committee

SUBJECT: Proposed Domestic Volunteer Service
Act Amendments of 1979

In the report of the NSC Legislative Affairs Committee submitted at the Fourth Quarterly Meeting of the NSC, Washington, D. C., December 5-7, 1978, it was pointed out that Senator Alan Cranston's office had advised that although the ACTION legislation was not passed by the 95th Congress, a Continuing Resolution (H. J. 1139) was passed which would be effective until October 1979, the end of FY 1979.

As you know, legislation H. R. 13418 (P. L. 95-510) to transfer into the Small Business Act those provisions of the Domestic Volunteer Service Act of 1973, affecting the operation of the volunteer programs to assist the small business community, was passed by the House on September 25, 1978 and the Senate, without amendment, on October 11, 1978 and was signed by the President on October 24, 1978. I have heretofore furnished you a copy of the legislation. For ready reference I enclose another copy.

This legislation which passed the House under suspension of the rules on September 25, 1978 and due to "Budget Act Restrictions will not become effective until October 1, 1979, the start of fiscal year 1980."

Under date of November 28, 1978 this matter was discussed with Harry S. Carver, Director, Budget Division, SBA, who stated that the delay in the effective date would have no impact on the FY 1979 operation of the SCORE program.

The Domestic Volunteer Service Act Amendments of 1979 was introduced in the Committee on Human Resources of the Senate by Senator Alan Cranston of California January 25, 1979. In introducing the bill Senator Cranston stated that:

> "The new bill does not include extensions of authorizations of appropriations for the small business-related volunteer programs previously authorized by title III of the Domestic Volunteer Service Act of 1973, which were included in S 2617, since these provisions were repealed effective October 24, 1978, by Public Law 95-510, an act to amend the Small Business Act by transferring thereto those provisions of the Domestic Volunteer Service Act of 1973 affecting the operation of volunteer programs to assist small business, to increase the maximum allowable compensation and travel expenses of experts and consultants, and for other purposes." (Emphasis supplied)

Senator Cranston is Chairman of the Subcommittee on Child and Human Development which is responsible for the enabling legislation for and oversight of the domestic volunteer program of the ACTION Agency, and has scheduled hearings on S.239 for February 8, 1979, with the hope that the Committee can move the bill quickly through the legislative process. I have no idea as to when the proposed legislation will be finally enacted by the Congress. I am concerned with the possibility of the legislation being passed prior to October 1979, which apparently would leave SCORE in limbo in view of the fact that the Small Business Act Amendments do not become effective until October 1, 1979.

In view of the foregoing I have discussed this matter with George M. Grant, SBA Legislative Counsel, who advises that he is checking with Committee staff and OMB to make sure that no inadvertent legislative action affecting SCORE programs or authorizations results in any problems.

Will keep you advised.

Walter P. O'Rourke
Chairman
NSC Legislative Affairs Committee

PUBLIC LAW 95-510—OCT. 24, 1978

SMALL BUSINESS ACT, AMENDMENT

Public Law 95-510
95th Congress

An Act

Oct. 24, 1978
[H.R. 13418]

To amend the Small Business Act by transferring thereto those provisions of the Domestic Volunteer Service Act of 1973 affecting the operation of volunteer programs to assist small business, to increase the maximum allowable compensation and travel expenses for experts and consultants, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Small Business Act, amendment.
Volunteer programs, establishment and operation.

SEC. 101. Section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1)) is amended by striking subparagraph (1)(B) and inserting in lieu thereof the following subparagraphs:

"(B) To establish, conduct, and publicize, and to recruit, select, and train volunteers for (and to enter into contracts, grants, or cooperative agreements therefor), volunteer programs, including a Service Corps of Retired Executives (SCORE) and an Active Corps of Executive (ACE) for the purposes of section 8(b)(1)(A) of this Act; and to facilitate the implementation of such volunteer programs the Administration may maintain at its headquarters and pay the expenses of a team of volunteers subject to such conditions and limitations as the Administration deems appropriate: *Provided*, That any such payments made pursuant to this subparagraph shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(C) To allow any individual or group of persons participating with it in furtherance of the purposes of subparagraphs (A) and (B) to use the Administration's office facilities and related material and services as the Administration deems appropriate, including clerical and stenographic services~~.~~:

5 USC 8101 *et seq.*

"(i) such volunteers, while carrying out activities under section 8(b)(1) of this Act shall be deemed Federal employees for the purposes of the Federal tort claims provisions in title 28, United States Code; and for the purposes of subchapter I of chapter 81 of title 5, United States Code (relative to compensation to Federal employees for work injuries) shall be deemed civil employees of the United States within the meaning of the term 'employee' as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply except that in computing compensation benefits for disability or death, the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS-11 employee;

Volunteer reimbursement.

"(ii) the Administrator is authorized to reimburse such volunteers for all necessary out-of-pocket expenses incident to their provision of services under this Act, or in connection with attendance at meetings sponsored by the Administration, or for the cost of malpractice insurance, as the Administrator shall determine, in accordance with regulations which he or she shall prescribe, and, while they are carrying out such activities away from their homes or regular places of business, for travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for individuals serving without pay; and

"(iii) such volunteers shall in no way provide services to a client of such Administration with a delinquent loan outstanding, except upon a specific request signed by such client for assistance in connection with such matter.

"(D) Notwithstanding any other provision of law, no payment for supportive services or reimbursement of out-of-pocket expenses made to persons serving pursuant to section 8(b)(1) of this Act shall be subject to any tax or charge or be treated as wages or compensation for the purposes of unemployment, disability, retirement, public assistance, or similar benefit payments, or minimum wage laws.

15 USC 637.

Defense proceedings, expenses.

"(E) Notwithstanding any other provision of law and pursuant to regulations which the Administrator shall prescribe, counsel may be employed and counsel fees, court costs, bail, and other expenses incidental to the defense of volunteers may be paid in judicial or administrative proceedings arising directly out of the performance of activities pursuant to section 8(b)(1) of this Act, as amended (15 U.S.C. 637(b)(1)) to which volunteers have been made parties.

"(F) In carrying out its functions under section 8(b)(1) of this Act, the Administration is authorized to accept, in the name of the Administration, and employ or dispose of in furtherance of the purposes of this Act, any money or property, real, personal, or mixed, tangible, or intangible, received by gift, devise, bequest, or otherwise; and, further, to accept gratuitous services and facilities.".

Repeals.

SEC. 102. (a) Title III of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5031 et seq.), is hereby repealed.

(b) Section 503 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5083), is hereby repealed.

Experts and consultants, compensation and expenses.

SEC. 103. Section 5(c) of the Small Business Act (15 U.S.C. 634(c)), is amended by striking the last sentence and inserting in lieu thereof the following: "Any individual so employed may be compensated at a rate not in excess of the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, including traveltime, and, while such individual is away from his or her home or regular place of business, he or she may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code.".

681

SEC. 104. Section 7(k)(4) of the Small Business Act (15 U.S.C. 636(k)(4)), is amended by striking out "$100 per diem" and inserting in lieu thereof "the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code".

Effective date.
15 USC 634 note.

SEC. 105. This Act shall be effective October 1, 1979.

Approved October 24, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1375 (Comm. on Small Business).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 25, considered and passed House.
Oct. 11, considered and passed Senate.

Peralta College for Non-Traditional Study
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BERKELEY, CALIFORNIA 94704 • (415) 841-8431

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February 8, 1979

Senator Alan Cranston, Chairman
Sub-Committee on Child and Human Development
4230 Durkson Building
Washington, D.C. 20510

Attention: Miss Fran Butler

Dear Senator Cranston:

It would have been a pleasure to testify in person at your subcommittee hearing on ACTION on February 8, 1979. The following information is offered for consideration in further policy and program decisions.

Background Information:

Vista College (formerly called Peralta College for Non-Traditional Study) was selected for a University Year for Action grant in September, 1978. Our mission statement:

> "Vista College is a noncampus Community College with a dual mission: (1) Provide services to adults of all ages and background who are interested in post secondary education through the development and delivery of a variety of life-long learning options; (2) Provide service to the community through partnership with public agencies and private organizations. These services are provided in a flexible and diverse manner."

There was a delay in staffing the project, in part due to a hiring freeze. I began as UYA Project Coordinator on November 16, 1978. As a former faculty member of the graduate program in Social Work Education at San Francisco State University and an active member of the Center for Independent Living in Berkeley with wide experience in civil and legal rights organizations and agencies, I was pleased to be invited to coordinate this particular UYA program. There is a history in this area of concern that consumers of services (target communities) be actively involved in program development, and I assumed that the UYA Project's two target populations -- older adults and people with disabilities -- would also make up the majority of student volunteers.

Many studies reflect the harsh reality of the poverty and hopelessness that are rampant among people with disabilities and older adults; there is little necessity to reiterate these facts. This particular project was seen as offering an opportunity to train our students who were involved with or were members of these populations in a practical community organization and development experience. There may be no better antidote to hopeless defeat than involvement in problem-solving action. When projects are focused toward helping develop options and alternatives for people who formerly were unable to participate in the possibilities offered by our social system, we evolve toward a healthier condition as a society.

The Problem Emerges

For many reasons, it would appear that people with disabilities and older adults would be actively involved in a program focused toward developing their communities, but a problem emerges that must be given attention.

Engaging in the act of SGA (Substantial Gainful Activity) prevents many disabled students from participating in these educational and service activities without potential danger to life-related money and services.

In the Operating Manual used by the Social Security Administration (TN 4020(6-380) 2-77) is is noted:

> "6401. Effect of Work on Disability Status
>
> By engaging in SGA, an individual may furnish direct proof that he is, at least during the time that he works, able to engage in SGA. However, a finding that he did not engage in SGA during a particular period does not answer the ultimate question of his ability to engage in SGA."

and later:

> "(b) Earnings of $130 to $200 a Month
>
> Where average monthly earnings do not exceed $200 a month, the work is considered SGA if analysis of the time, energy, skill

> and responsibility involved in its performance shows that the work is essentially the same in quality and quantity as that done by unimpaired individuals engaged in similar occupations as their means of livelihood; for obvious reasons, the performance of the same work as that done by unimpaired individuals must be considered inconsistent with disability regardless of the amount of earnings from such work. Likewise, an individual performing services clearly worth over $200 a month according to prevailing pay scales in his community should be regarded as engaged in SGA even if he is paid less."

Public Law 93-113 provides for the operation of the ACTION agency and states, in part:

> "Notwithstanding any other provision of the law except as may be provided expressly in limitation of this subsection; payments to volunteers under this Act shall not in any way reduce or eliminate the level of eligibility for assistance or services any such volunteers may be receiving under any governmental program."

This section has been quoted to assure potential volunteers (students) to the UYA projects that they will not lose any present government assistance. It is an assurance that has meaning and weight to large numbers of people; however, for those individuals who are liable for consideration by the Social Security Administration on the basis of the SGA concept, this section fails to offer equal protection.

Equal Protection and Opportunity?

Although the review procedures seem to be somewhat erratic and some disabled individuals have been assured by the Social Security Administration that they will be evaluated only on the basis of income, other disabled individuals who have been volunteers within ACTION programs have been seen as engaging in SGA.

Disabled people, who are in need of a range of services that are tied to their eligibility for SSI, have had a variety of activity judged by SSA as using up their trial work time. If a disabled person is doing anything at all that someone else is being paid to do, even when that disabled person is engaged in volunteer activity as defined by Public Law, he/she is being viewed as having performed SGA and can be cut off from life-necessary services.

Obviously any ACTION project that is focused toward the disabled community must be assured that disabled volunteers can participate without losing benefits that continue to be available to others.

To give an ironic example: Two women wish to take advantage of the training and education available through a UYA program. One is blind, the other deaf. Both have disabilities which involve sensory loss. The deaf woman is called upon to risk protections and money she now receives in order to get her educational experience; the blind woman, who is exempted from the concept of SGA, will risk nothing.

This inequality seems obvious, even to a beginning community college student. How can I, as a coordinator of this program, "explain" how high-level legal minds justify and perpetuate this contradiction?

Positive Aspects of UYA and Service Learning

As minority communities have emerged and colleges and universities have attempted to develop "relevant" curriculums, we have had the emergence of a multiplicity of "studies." While on the faculty of San Francisco State University in the late 60's and early 70's I played an active role in involving the Department of Social Work Education in developing awarenesses and commitments to many communities that were beginning to define themselves: Black; Chicano; Asian; Filipino; American Indian; Gay. At that point the Disabled Community was not well defined, but we are now seriously talking of the need to develop a curriculum area for people wishing to work with this population. There are many reasons why new approaches need to be taken with people who vary from the "norm."

As an educator, I see the Service Learning model that has been developed out of the UYA Projects and the National Student Volunteer Program as offering a mechanism allowing for creative curriculum development more closely related to the real world. If this approach can be strengthened, it has the potential of teaching and training college students to work with a wide variety of populations without the need for expensive and artificial implantation of "studies" onto the campus. Vista College has a history as a non-campus facility. We hope to continue to use creative ways to deal with real learning needs of real people in their own communities.

Senator Alan Cranston
February 8, 1979
Page Five

There is much more that could be said and more documentation that might support this letter. I hope this is the beginning of a process and that there is a role for Vista College's UYA Program in illustrating some of the strengths and economics of Service Learning.

We certainly endorse the findings of the Citizens' Review Project and the Educational Testing Service. Both studies illustrate our struggles with rigid guidelines and financial sacrifice by our students. Recruitment of good volunteers has been difficult.

If I may be of more help, please contact me.

Thank you for your attention to these issues.

Sincerely yours,

Mary Jane Owen

Mary Jane Owen
University Year for Action
Coordinator

cc: I. Andrews
S. Brown
P. Burton
R. Dellums
J. Heumann
P. Simon

GEORGE WILLIAMS COLLEGE GWC 555 Thirty-First Street · Downers Grove, Illinois 60515
Telephone (312) 964-3100

January 31, 1979

The Honorable Senator Alan Cranston
Chairman, Senate Subcommittee on Child
and Human Resources
U. S. Senate
Washington, D. C. 20510

Dear Senator Cranston:

The University Year For ACTION Service Learning Program began September, 1977. The Program started here at George Williams College on a very limited basis. There were at that time some nine inner-city agencies who worked with the inner-city community and all their problems. We developed a work plan which consisted of a major thrust for students getting college credit as well as getting work experience. Goals and objectives were set whereby students, community, agency, and the College would gain from the experience of each.

We started with twenty-six scholars who, during the course of the year, developed learning resource centers, which included reading rooms for inner-city students in an alternative high-risk high school; identified many needy Headstart Families, making home visits to get the families involved in support group meetings; developed a comprehensive system of resources for high-risk youth who were a part of the Juvenile Court System; developed job coaching programs that assisted mental health clients in their first work situations following hospitalization; and made at least one thousand contacts within the community for helping to solve the problems which the clients would encounter.

It was a real experience for our students. They were able to become expediters, counselors, models, planners, leaders, resource developers, arrangers of functions and events, and resources themselves while encouraging and teaching families and youth to work directly among and with their group members toward the larger goals of helping to better a situation in which the poverty-stricken found themselves.

Yes, the funding came from ACTION. However, this funding was tied to the National Student Volunteer Program. During the course of the year ACTION itself has not assisted in the training of the administrative personnel to run these programs. This was done by the National Student Volunteer Program which is tied to the legislation which created the Domestic Volunteer Service Act of 1973. This part of ACTION, NSVP, has provided free technical assistance, materials for Service Learning Programs which included manuals, journals, case studies and resource bibliographies as well as training sessions for many teachers and administrators working with college service learning programs. It has also provided consultation and direct assistance to my program.

I would urge the removal of the 10% funding limitation on Title I, Part B, Section 114 of the Domestic Volunteer Service Act of 1973 and request that separate authorizing legislation for National Student Volunteer Program (NSVP) and University Year For ACTION (UYA) so that these programs can be funded directly and continue to operate. I am sure you are concerned with the development of a natural resource that exists in this society. Therefore, without the meaningful input of that human potential this resource would not be developed to its fullest.

I think Service Learning at George Williams College has demonstrated through the UYA Program that this is a viable means whereby students can join hands with the community in solving some problems. All five educational units of our undergraduate program are actively participating and are willing to develop that human potential which exists in our inner-cities.

Therefore, I respectively request that this letter to you be included in the hearing record on the reauthorization of the Domestic Volunteer Act of 1973.

Sincerely,

Roland Wesley

Roland Wesley, Ph.D.
Associate Professor and
Director, University Year For ACTION
Service Learning Program

RW:ml

Community Involvement Programs
Macalester College St. Paul, Minnesota 55105 (612) 647-6191/647-6131

February 2, 1979

Senator Alan Cranston
Chairman, Senate Subcommittee on Child and
Human Resources
U.S. Senate
Washington, D.C. 20510

Dear Senator Cranston:

Once again we write to express our concern for the future of the National Student Volunteer Program (NSVP). It appears that NSVP is caught in a struggle over the continued existence of the University Year for Action Program (UYA). Since NSVP's funding is tied to UYA, unless legislation is passed which legally separates these two programs, NSVP could go out of existence. Separate authorizing and funding legislation would be a more accurate reflection of the existing situation, since UYA and NSVP are and have been distinct and separate programs. Though a case could be made for a revitalization of UYA, possibly under the leadership of NSVP, we are most directly and seriously concerned about the fate of NSVP. We ask your assistance in averting a potential tragedy with far-reaching ramifications--the demise of the National Student Volunteer Program.

Macalester College's long-standing traditions of service and involvement in the community are carried out through the auspices of Community Involvement Programs (CIP). Each year students provide 47,000 hours of service through community programs. Like many other service-learning programs around the country, CIP, which served 500 students and over 200 community agencies in 1977-78, has made extensive use of NSVP's services and resources.

CIP, like most service-learning programs, operates on a small budget and cannot purchase the expert assistance needed to enhance our program and to improve and increase

Senator Alan Cranston
February 2, 1979
page 2

service to students and community groups.

NSVP's small staff is remarkably capable and productive and has been a crucial factor in the development of a solid and effective student volunteer program at Macalester. Over the course of the past seven years NSVP has provided numerous services to CIP. Their assistance has been invaluable. The quarterly magazine, Synergist, and the manuals they produce are excellent resource materials. Their response to requests for information and assistance are always prompt and knowledgeable. The training workshops they hold around the country are well-designed and staffed and enhance the ability of the program staff to provide impactful service to the community.

Though NSVP's budget and staff are small, its national impact has been significant. We believe the continuation of NSVP is vital to the future of student volunteerism and service-learning in the United States. Since funds available to support human and social services are decreasing, the assistance of student volunteers becomes critical to the continued provision of quality services to the community by these agencies.

Through service-learning, students provide needed volunteer assistance to numerous human service agencies, while enhancing their academic training and ensuring that their preparation for the world of work develops the skills necessary to be effective in the field.

We ask your assistance in ensuring that the work of the National Student Volunteer Program will continue and urge your support for legislation which will provide a separate authorization for NSVP.

We respectfully request that these comments be made a part of the Congressional Record of the committee hearing to be held on February 8.

Thank you for your assistance.

Best Regards,

William J. Svrluga, Jr.
Dean of Students
Macalester College

Helen Drotning-Miller
Director
Community Involvement Programs

NATIONAL ASSOCIATION OF FARMWORKER ORGANIZATIONS
1329 E Street, N.W., Suite 1145
Washington, D.C. 20004

202-347-2407

March 28, 1979

Senator Alan Cranston
Senate Committee on Human Resources
229 Russell Senate Office Building
Washington D.C. 20510

Dear Senator Cranston:

On behalf of the farmworkers and farmworker organizations represented by the National Association of farmworker Organizations, I urge you to support the continuation of the National Grants Program administered by ACTION. Only through innovative national programming such as this can ACTION/VISTA carry our its mandate to fight poverty in the United States, especially among the more than 5 million migrant and seasonal farmworkers. NAFO congratulates ACTION for its recognition that farmworker problems must be addressed through a national effort and must include the participation of farmworker-governed organizations across the nation.

For the first time in 10 years, VISTA volunteers will be working in the migrant farmworker stream this season. Our project will move with the migrant farmworkers from the home base areas to the states in which they work preparing and harvesting this nation's crops. Through the VISTA projects farmworkers will learn to identify and resolve their own problems, utilizing the resources and human services already existing in these areas. Continuation of efforts such as this are dependent on the continuation of the National Grants Program. Only through this program can volunteers move from one state to another and only by working through a network such as our own, will they be able to develop contracts with the hundreds of small community-based organizations working with the farmworker population.

We urge you to support ACTION in continuing this type of innovative program through the National Grants Program.

Sincerely,

F. Thomas Jones
National Representative

TR/im

"A National Community of Workers & Their Organizations"

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(212) 481-6300

REPLY TO:

UCPA Governmental Activities Office
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Suite 141
425 I Street N.W.
Washington, D. C. 20001
(202) 638-6169

March 2, 1979

Honorable Alan Cranston
452 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Cranston:

United Cerebral Palsy Associations, Inc. wishes to thank you for introducing S. 239 and S. 374, different versions of the "Domestic Volunteer Service Act Amendments of 1979."

As an organization whose livelihood, success and future depends on the involvement and commitment of private citizen volunteers, we are very supportive of Federal government incentives to encourage and promote volunteerism. Our organization, reflective and representative of our society at-large, has experienced some difficulties in attracting sufficient volunteers from distressed urban neighborhoods. These bills have the potential of stimulating a greater urban volunteer effort to assit in meeting the needs of persons with disabilities.

UCPA particularly applauds the S. 374 Section 302 (b) (1) (B) (ii) and S. 239 Section 134 (1) provisions targeting grant support to projects utilizing volunteers to reduce the necessity of institutionalization and ameliorate the residential isolation of older persons, handicapped persons, and other similarly isolated persons. We recommend that the S. 239 provision that such projects be coordinated with the Developmental Disabilities Protection and Advocacy State systems be retained. We regret that this coordinative and supportive proposal is omitted in S. 374.

UCPA also applauds the S. 239 Section 12 and S. 374 Section 11 proposals to strengthen the antidiscrimination provisions of the Domestic Volunteer Service Act by specifically including persons with handicaps as well as Section 504 of the Rehabilitation Act of 1973. We prefer the S. 374 language to that of S. 239 because of the specific addition of the handicapped to the list of covered individuals.

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WILLIAM BERENBERG, M.D., VICE PRESIDENT MEDICAL AFFAIRS
EARL H. CUNERD, EXECUTIVE DIRECTOR

We also fully endorse the S.374 Section 9 provisions that sponsors "take into account experience in volunteer work in the consideration of applicants for employment" and "make provision for the listing and description of volunteer work on all employment applications forms."

We believe the proposed legislation would stimulate greater services to the nation's disabled population, particularly those persons residing in urban neighborhoods.

Thank you for considering our views and we respectfully request that this letter be included in the Subcommittee on Child and Human Development hearing record.

Sincerely,

E. Clarke Ross

E. Clarke Ross
Director
UCPA Governmental Activities Office

ECR/rlk

cc: Sam Brown, ACTION

April 10, 1979

The Honorable Alan Cranston
United States Senate
Washington, D.C. 20510

Dear Senator Cranston:

We urge you to give your support to the Volunteers In Service to America (VISTA) program, which is now up before the Congress for reauthorization. As organizations traditionally concerned with alleviating poverty, we have been aware of VISTA and the work of its volunteers for many years. In our judgment, VISTA is one of the most vital federal programs working to alleviate domestic poverty.

Based on media reports, it appears that a few members of Congress have again targeted VISTA for extinction. We find this alarming. VISTA is one of the few federal programs that gives your constituents who are poor a renewed hope that Government has not forgotten its commitment to social justice.

What VISTA does is rare. It supports the efforts of the poor to form links with the non-poor. Its volunteers work to increase the confidence of the poor in their ability to help themselves through developing organizational and problem-solving skills. In 1978, the average VISTA volunteer served 300 poor people, many of whom were elderly. VISTA volunteers are working in 730 different projects in over 2,[illegible]00 communities throughout the country.

Unless VISTA receives additional funds, many sponsoring organizations may lose their volunteers. As a result, the programs the volunteers support would be seriously affected.

We ask you to discount the unsubstantiated attacks being made on VISTA and support the President's request for an increase in the VISTA appropriations for fiscal year 1980.

Sincerely yours,

Ronald H. Brown
Vice President
National Urban League

Richard G. Hatcher
President
U.S. Conference of
Black Mayors

Lawrence J. Corcoran
Executive Director
National Conference of
Catholic Charities

Ruth C. Braver
Executive Director
Urban Elderly Coalition

Sally Martin Fisher
President
National Association of
Neighborhoods

President
National Council of LaRaza

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National Center for Urban
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National Congress of American
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Tom Moody, Mayor, Columbus, Ohio
Executive Director
Alan Beals

April 19, 1979

Dear Senator:

The National League of Cities urges you to enact S. 239, the Domestic Volunteers Service Act Amendments of 1979, which contains the Urban Volunteer Program. This legislation which was proposed by President Carter as part of the urban policy initiative provides $29 million annually to the Action Agency to start a new program to fund volunteers as well as provide small scale grants for self-help to neighborhood groups throughout the country. This bill is in keeping with the promotion of the volunteer spirit which has helped make this nation great. It will allow many urban residents to use their free time in a more effective way to better themselves and their communities. We urge the Senate Human Resources Committee to fully authorize the Urban Volunteers Program. Authorizing it as a demonstration level program will not produce the needed impact in the country's urban areas.

The bill contains a provision which requires the Action Agency and affected local governments to coordinate the implementation of the program. This provision represents a major step forward from some previous programs which caused federal neighborhood grants to work at cross-purposes with local government institutions. After a careful review of the legislation, the leadership and member cities of the National League strongly endorsed the Action measure.

The National League of Cities also supports the reauthorization of the VISTA and the Older American programs which are also administered by the Action Agency. Many of these volunteers serve in American urban areas as well as work with municipal governments. In a time of diminished tax revenues to provide local services the Action Agency's federal mission to promote volunteerism throughout the U.S. must be maintained and expanded.

Although the Urban Volunteer Program is a small scale program when compared with the billions of dollars spent by the Federal government to help cities with community development, housing, transportation, water pollution, and several other major programs, it is one which when added to the array of urban programs will have a significant impact. It will allow local volunteers to more effectively work within their communities while helping conserve, preserve, and improve their neighborhoods. NLC urges the Senate to take timely action on this legislation. Please contact Tom Tatum, Deputy Director, Office of Federal Relations, for any information you need from NLC on this particular legislation.

Sincerely,

Alan Beals

Alan Beals
Executive Director

PAST PRESIDENTS: **Tom Bradley**, Mayor, Los Angeles, California · **Henry W. Maier**, Mayor, Milwaukee, Wisconsin · **DIRECTORS:** **R. Michael Amyx**, Executive Director, Kentucky Municipal League · [illegible]

EXCERPTS FROM:

Youth and the Needs of the Nation

Report of the Committee for the Study of National Service

The Potomac Institute

THE COMMITTEE FOR THE STUDY OF NATIONAL SERVICE

Bernard E. Anderson
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Jacqueline Grennan Wexler
Harris Wofford
Co-chairmen

Roger Landrum, Study Director

Foreword

This report examines two major national problems and outlines a program of service that would attack both at once.

One of these problems is the predicament of America's young people. Alarming numbers of them are unemployed—worse yet, unoccupied. Many, especially those from minority and impoverished backgrounds, reciprocate society's disregard for them with a like disregard for the claims of society. Even among those materially better off, many are either aimless or preoccupied with narrow self-interest.

The other problem is the host of needs in [illegible] society that go untended. These needs are of many sorts. They range from caring for the sick and elderly to repairing our abused physical environment. What they all have in common is that they are dealt with inadequately, if at all, by business or government.

How can the unused energies and talents of American youth best be directed to critical needs of the nation that are going begging? And how, in that process, can the idea of service gain new currency among all elements of our population? When Jacqueline Wexler and Harris Wofford asked the Potomac Institute to sponsor a study of these questions, to be directed by a committee of interested and knowledgeable persons, the Institute readily agreed. The Ford Foundation provided basic support for the study and publication of its results. Additional assistance—including grants from the Carnegie Corporation of New York, the Eleanor Roosevelt Institute, the Field Foundation, the William and Flora Hewlett Foundation, the J. M. Kaplan Fund, the New World Foundation, and the Charles H. Revson Foundation—has made possible follow-up activities by the Committee and its Study Director, designed to promote widespread consideration and debate of the issues. The statements made and the views expressed in the report are solely the responsibility of the Committee and its Study Director. They invite the criticisms and suggestions of every reader.

The Report consists of two distinct, though closely related, parts. The first is a summary of the findings and recommendations on which the Committee, after vigorous discussion and debate, reached general agreement; it is supplemented by a description of the Committee and its work.

The second part of the report is a paper by Study Director Roger Landrum that presents background information relevant to the consideration of National Service, as well as his own thoughtful analysis of the central issues.

The aim of the report as a whole is not to put forward an immutable blueprint of a National Service program as conceived by the Committee. Rather, it is to lay out the main issues and the Committee's collective thinking about them in such a way as to help generate widespread, intelligent public discussion of alternative possibilities. To the extent that that aim is realized, the effort will have been a success.

Harold C. Fleming
President, The Potomac Institute

Findings and Recommendations of the Committee

Until the spirit of service is restored among American citizens, the most pressing human problems of our society will not be solved. The full participation of youth in National Service could be a powerful force in meeting the needs of the nation and in strengthening the spirit of service. Today, little is asked of young people except that they be consumers of goods and services. A vast industry serves youth with schooling, entertainment, and goods of all kinds, but there are limited opportunities for the young themselves to produce goods and serve others.

Anyone who pays taxes or deals with bureaucracy or has been disappointed with government programs can think of arguments against the idea of universal National Service for young people: it wouldn't work well, it would cost too much, it would create a new bureaucracy, and it would inhibit individual liberty.

The Committee has considered these arguments and weighed the difficulties against the gains that could result from enlisting the energy and talent of young people in effective service to society. We have concluded that the nation's social, economic, educational, environmental, and military needs, including the need of young people to serve and be productive, and the need of our society to regain a sense of service, together make a compelling case for moving toward universal service for American youth.

The Committee calls for the country to move *toward* universal service by stages and by incentives but without compulsion. One early but not continuing member of the Committee—Stuart Symington—who has long favored universal military service, presented a strong argument for a mandatory National Service system. Only with a universal system, he thinks, would the gains be worth the cost; without compulsory military service he believes the armed forces will not be able to maintain the levels required for national security at a price the nation can afford. He was therefore unable to join in the Committee's recommendations, particularly number 11, calling for the development of a voluntary system while further consideration is given to the idea of making National Service mandatory.

A number of members of the Committee, including the co-chairmen, agree with Mr. Symington that mandatory service for all young people would make the maximum contribution to meeting the nation's military and non-military needs, and believe that it would be good for such service to become a regular and required part of growing up in America. But they do not think this will be politically feasible unless it becomes clear to the Congress and the country that the armed forces require the reinstitution of a draft—or until the large-scale voluntary service proposed in this report has proved itself and persuaded the American people to go all the way to universal service. Other Committee members oppose a mandatory system on grounds of administrative and political practicality, or constitutional and personal principle. Further points in this central argument about National Service are reported in the Committee's Findings and Recommendations below and in Roger Landrum's background study.

The following recommendations and the reasons that led to them (including that one important disagreement) are offered as a contribution to the national study and debate that this far-reaching idea requires.

1. All young people should be challenged to serve full-time for one or more years in meeting the needs of the nation and the world community.

2. A system for National Service should be established to provide opportunities so that at least a year of such service after leaving secondary or higher education can become a common expectation of young people. Year-by-year the system should find, encourage, and develop a variety of new opportunities for civilian service—in the home community, in national parks, in other parts of the country, and overseas—so that before long participation in either civilian or military National Service will be as generally accepted as going to high school.

3. In moving toward universal service, the system should aim to enlist at each stage a representative cross-section of American young people, drawing into work together men and women from all regions, races, and backgrounds. Though difficult to carry out, this functional integration of Americans should be an essential operating principle of the system.

4. National Service should be organized so as to enable young people to help meet the real economic, social, and educational needs of the nation in the most economical and effective ways. It should

7 ,2

expand only to the extent the service of young people is effectively helping to meet those needs. The administrative structure should emphasize decentralization and result in the smallest feasible government bureaucracy with the strongest possible ties to the private and voluntary sectors of American society, including business, labor, charitable, and religious organizations.

5. All the present government programs of full-time civilian service, such as VISTA, the Peace Corps, and the Young Adult Conservation Corps, should be included among the options in the new system of National Service. Another option could be individual or small-team arrangements with private or public agencies in local communities on the pattern demonstrated by the ACTION project in Seattle. Private programs, such as those approved by Selective Service for alternative service by conscientious objectors during conscription, should also be included if they can offer at least a year of full-time service. In addition, the system should develop—or assist in the development of—new programs that make effective use of young men and women in essential areas of community and national need.

6. Each of the programs to be included should plan and administer the work of the young men and women in National Service so as to achieve a substantially increased contribution to meeting one or more of the nation's needs. Those responsible for schools, day-care centers, tutoring programs, programs for the elderly, hospitals, community health centers, institutions for the retarded and for the mentally ill, prisons and juvenile detention centers, neighborhood associations, city, county, and national agencies for conservation, renovation, and energy-saving, and efforts to deal with disasters of nature—and other service agencies—should be asked:

> What could you do better to meet your present goals if you had the full-time service of a substantial number of young people? What larger goals could you then set? Precisely how would you utilize the service of such young people? What training and supervision would be required?

The same invitation to the imagination should be put to business, labor, and religious groups who might be ready to organize and sponsor new programs of National Service.

7. National Service should *not* be seen as job-training or work programs for the unemployed but as a supplement to, or, for some young people, an alternative to such programs. Those in National Service should find the experience of serving under the supervision and discipline of private or government agencies a practical form of career exploration; in many cases the training and work of National Service could be viewed as internships and apprenticeships. Notwithstanding the differences of approach and purpose between National Service and the Comprehensive Employment and Training Act (including the Youth Employment and Demonstration Projects), there should be careful coordination. In some cases, young people in job-training programs might move thereafter into one or two years of National Service; in other cases, young people completing National Service might benefit by one of these training or job-placement programs.

8. The terms of National Service should reflect the fact that *service* is being rendered. Following the precedents of the Peace Corps and VISTA, the general rule during service should be a reasonable living allowance. Though these modest cash stipends would be important to young people seeking not to be dependent on their families, especially those who are poor, for more affluent youth the amount will seem like very little and part of the challenge will be learning to live on less. Citizens, in turn, would be gaining new services at low cost.

9. One of the incentives for participants should be appropriate post-service educational and employment benefits along the lines of the G.I. Bill of Rights and the Peace Corps readjustment allowance, apportioned according to the length of service. Not all such benefits need to be provided by the government. In making hiring decisions, the private business sector as well as government at all levels should consider giving appropriate weight to an applicant's National Service. Colleges and universities should give such service weight in admissions decisions at both the undergraduate and graduate levels. In these ways, society could place value on the experience and reinforce the concept of service as an obligation of citizenship.

10. While engaged in National Service, the participants should be encouraged to continue their education. In addition to the learning-by-doing of apprenticeship, once the main form of American education, they might take a variety of available extension courses or attend night school, as further preparation for a career and for more general education. The staff of the National Service system should seek to initiate and assist a variety of educational activities among participants: English-speaking and Spanish-speaking young people could learn to tutor each other in oral language skills; college-trained participants could tutor high school dropouts in basic skills or subjects they lack; the central literature of the American tradition could be read and discussed.

11. The nation should seek effective ways to provide the opportunities for service from all its citizens, and should ask the young to participate at some point after age 16, but it is not necessary now to decide whether the nation should require such service. During the gradual development of a voluntary system, the idea of mandatory service can be carefully considered. If it should be determined that the needs of national defense call for the restoration of the military draft, at that point the case for mandatory universal service, including non-military options, would be very strong.

12. Military enlistment should be recognized as a form of National Service, and service should be re-emphasized as the central mission of the military. A growing expectation of service should improve the climate for all volunteering, and thus aid the armed forces in attracting young people without having to offer ever-higher compensation and benefits.

13. To assist young people in choosing the best form of National Service, service councils should be established in each community, composed of citizens with experience in voluntary service, education, business, labor, and religious organizations. Members would be appointed nationally and serve without pay. The councils might well be located in underutilized facilities in local high schools. They would provide information and counseling on the various opportunities for service. The history of local boards in the Selective Service System and the experience of the new community Education and Work Councils should be reviewed in determining the procedures for selection and operation of local service councils.

14. After age 16 and before leaving high school, all young people should be urged to visit a local service council, and the councils should hold open meetings in schools. In addition to giving up-to-date information on National Service opportunities, the councils should be well-informed about job-training and public service jobs available through other federal programs, and about opportunities in the armed forces.

15. Establishing the National Service system as a public corporation, chartered and funded by Congress but drawing its leadership largely from the private sector of American society, seems to us the most promising course. Innovative structures in both the private and public sectors should be examined, including the American Red Cross, the Corporation for Public Broadcasting, the Tennessee Valley Authority, the Atomic Energy Commission, the Peace Corps, and the administration of the educational benefits of the G.I. Bill of Rights. The National Service system should be empowered to set overall guidelines and criteria for funding and monitoring the various programs in which young people may serve; to initiate and administer some programs directly itself; and to establish a network of local service councils for information and counseling. Its charter must give it appropriate flexibility.

16. The system of full-time National Service for youth should be connected in all appropriate ways to the voluntary service of older citizens and of students who are in secondary schools or colleges so that the spirit of service, whether full-time or part-time, paid or unpaid, is strengthened throughout all parts of American life and among all ages.

95th Congress
1st Session } COMMITTEE PRINT

DOMESTIC VOLUNTEER SERVICE ACT OF 1973, AS AMENDED

PREPARED FOR THE

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

OF THE

COMMITTEE ON HUMAN RESOURCES
UNITED STATES SENATE

OCTOBER 1977

Printed for the use of the
Committee on Human Resources

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FOREWORD

More than 188,000 Americans participate in the domestic volunteer service programs of the ACTION Agency—VISTA (Volunteers in Service to America), UYA (University Year for ACTION), RSVP (Retired Senior Volunteer Program), FGP (Foster Grandparent Program), SCP (Senior Companions Program), and several other part-time, demonstration volunteer efforts. Nearly 1800 individual projects across the nation act as sponsors for these volunteers, whose job it is to work for improvement in the lives of poor and elderly Americans. This compilation of the amendments to the Domestic Volunteer Service Act of 1973 will enable those involved in ACTION Agency programs and the public to be better informed about the statutory basis for this important voluntary activity.

HARRSION A. WILLIAMS, Jr.,
Chairman.

LETTER OF TRANSMITTAL

U.S. Senate.
Committee on Human Resources,
Washington, D.C.

Hon. Harrison A. Williams, Jr.,
Chairman, Committee on Human Resources,
U.S. Senate, Washington D.C.

Dear Mr. Chairman: As you know, last year legislation was enacted to make certain changes in and to extend for two additional years some of the authorizations of appropriations in the Domestic Volunteer Service Act of 1973, (Public Law 93-113).

The new extension measure (Public Law 94-293), enacted May 27, 1976, is the fourth piece of legislation amending the original Act. Previous changes were in Public Law 93-351, the Older Americans Act Amendments of 1974, enacted July 12, 1974, affecting the local share contribution for the Retired Senior Volunteer Program (RSVP), in Public Law 94-130, the Peace Corps Amendments of 1975, enacted November 14, 1975, providing for an increase in the VISTA Volunteer end-of-service allowance; and in Public Law 94-135, the Older Americans Act Amendments of 1975, enacted November 28, 1975, extending the authorizations of appropriations in title II (National Older American Volunteer Programs) of the Domestic Volunteer Service Act, and making other changes in that title.

I believe it would be valuable for the Committee, those involved in ACTION Agency programs, and the public to have available a Committee Print setting forth the full text of the Domestic Volunteer Service Act of 1973 as amended by these subsequent laws. I therefore request your authorization for such a printing.

Sincerely,

Alan Cranston,
Chairman, Subcommittee on Child and Human Development.

DOMESTIC VOLUNTEER SERVICE ACT OF 1973, AS AMENDED[1]

Public Law 93-113

93rd Congress, S. 1148

October 1, 1973

AN ACT To provide for the operation of programs by the ACTION Agency, to establish certain new such programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Domestic Volunteer Service Act of 1973":

TABLE OF CONTENTS

TITLE I—NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

PART A—VOLUNTEERS IN SERVICE TO AMERICA

Sec. 101. Statement of purpose.
Sec. 102. Authority to operate VISTA program.
Sec. 103. Assignment of volunteers.
Sec. 104. Terms and periods of service.
Sec. 105. Support services.
Sec. 106. Participation of beneficiaries.
Sec. 107. Participation of older persons.
Sec. 108. Limitations.[2]

PART B—SERVICE-LEARNING PROGRAMS

Sec. 111. Statement of purpose.
Sec. 112. Authority to operate University Year for ACTION program.
Sec. 113. Special conditions.
Sec. 114. Special service-learning programs.

PART C—SPECIAL VOLUNTEER PROGRAMS

Sec. 121. Statement of purpose.
Sec. 122. Authority to establish and operate programs.
Sec. 123. Technical and financial assistance for improvement of volunteer programs.[3]

TITLE II—NATIONAL OLDER AMERICAN VOLUNTEER PROGRAMS

PART A—RETIRED SENIOR VOLUNTEER PROGRAM

Sec. 201. Grants and contracts for volunteer service projects.

PART B—FOSTER GRANDPARENT PROGRAM AND OLDER AMERICAN COMMUNITY SERVICE PROGRAMS

Sec. 211. Grants and contracts for volunteer service projects.
Sec. 212. Conditions of grants and contracts.

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[1] Amendments included through May 27, 1976, Public Law 94-293.

[2] Item relating to section 108 in the table of contents was added by section 4(a)(2) of Public Law 94-293, the Domestic Volunteer Service Act Amendments of 1976, (May 27, 1976).

[3] Item relating to section 123 in the table of contents was added by section 3(b)(2) of Public Law 94-293, supra.

PART C—GENERAL PROVISIONS

Sec. 221. Coordination with other Federal programs.
Sec. 222. Payments.
Sec. 223. Minority group participation.

TITLE III—NATIONAL VOLUNTEER PROGRAMS TO ASSIST SMALL BUSINESSES AND PROMOTE VOLUNTEER SERVICE BY PERSONS WITH BUSINESS EXPERIENCE

Sec. 301. Statement of purpose.
Sec. 302. Authority to establish, coordinate, and operate programs.

TITLE IV—ADMINISTRATION AND COORDINATION

Sec. 401. Establishment of agency.
Sec. 402. Authority of the Director.
Sec. 403. Political activities.
Sec. 404. Special limitations.
Sec. 405. National Voluntary Service Advisory Council.
Sec. 406. Labor standards.
Sec. 407. Reports.
Sec. 408. Joint funding.
Sec. 409. Prohibition of Federal control.
Sec. 410. Coordination with other programs.
Sec. 411. Prohibition.
Sec. 412. Notice and hearing procedures for suspension and termination of financial assistance.
Sec. 413. [4]
Sec. 414. Distribution of benefits between rural and urban areas.
Sec. 415. Application of Federal law.
Sec. 416. Evaluation.
Sec. 417. Nondiscrimination.
Sec. 418. Eligibility for other benefits.
Sec. 419. Legal expenses.
Sec. 420. Guidelines.
Sec. 421. Definitions.
Sec. 422. Audit.

TITLE V—AUTHORIZATION OF APPROPRIATIONS

Sec. 501. National volunteer anitpoverity programs.
Sec. 502. National older Americans volunteer programs.
Sec. 503. National volunteer programs to assist small businesses and promote volunteer service by persons with business experience.
Sec. 504. Administration and coordination.
Sec. 505. Availability of appropriations.

TITLE VI—AMENDMENTS TO OTHER LAWS AND REPEALERS

Sec. 601. Supersedence of Reorganization Plan No. 1 of July 1, 1971.
Sec. 602. Creditable service for civil service retirement.
Sec. 603. Repeal of title VIII of the Economic Opportunity Act.
Sec. 604. Repeal of title VI of the Older Americans Act.

TITLE I—NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

PART A—VOLUNTEERS IN SERVICE TO AMERICA

STATEMENT OF PURPOSE

SEC. 101. This part provides for the Volunteers in Service to America (VISTA) program of full-time volunteer service, together with appropriate powers and responsibilities designed to assist in the development and coordination of such program. The purpose of this part is to strengthen and supplement efforts to eliminate poverty and poverty-related human, social, and environmental problems in the United States by encouraging and enabling persons from all walks of life and all age groups, including elderly and retired Americans, to perform meaningful and constructive volunteer service in agencies, institutions, and situations where the application of human talent and dedication may assist in the solution of poverty and poverty-related problems and secure and exploit opportunities for self-advancement by persons afflicted with such problems.

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[4] Section 413 was deleted pursuant to section 5(b) of Public Law 94-293, supra.

AUTHORITY TO OPERATE VISTA PROGRAM

SEC. 102. The Director may recruit, select, and train persons to serve in full-time volunteer programs consistent with the provisions and to carry out the purpose of this part.

ASSIGNMENT OF VOLUNTEERS

SEC. 103. (a) The Director, upon request of Federal, State, or local agencies, or private nonprofit organizations, may assign such volunteers to work in the several States in appropriate projects and programs—

(1) in meeting the health, education, welfare, or related needs of Indians living on reservations or Federal trust lands, of migratory and seasonal farmworkers and their families, and of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, or the Virgin Islands;

(2) in the care and rehabilitation of mentally ill, developmentally disabled, and other handicapped individuals, especially those with severe handicaps, under the supervision of nonprofit institutions or facilities; and

(3) in connection with programs or activities authorized, supported, or of a character eligible for assistance under this Act or the Economic Opportunity Act of 1964, as amended (42 U.S.C. chapter 34) in furtherance of the purpose of this title.

(b) The Director, wherever feasible and appropriate, shall assign low-income community volunteers to serve in their home communities in teams with nationally recruited specialist volunteers. Prior to the assignment of any such community volunteer, the Director shall insure that each such volunteer is provided an individual plan designed to provide an opportunity for job advancement or for transition to a situation leading to gainful employment. One hundred and twenty days prior to the completion of such community volunteer's term of service, the Director shall insure that such plan is updated and reviewed with the volunteer.

(c) Except as provided in subsection (d), the assignment of volunteers under this section shall be on such terms and conditions (including restrictions on political activities that appropriately recognize the special status of volunteers living among the persons or groups served by programs to which they have been assigned) as the Director may determine, including work assignments in their own or nearby communities.

(d) Volunteers under this part shall not be assigned to duties or work in any State unless such program has been submitted to the Governor or other chief executive officer of the State concerned, and has not been disapproved by him within forty-five days of such submission. The assignment of a volunteer shall be terminated by the Director when so requested by the Governor or chief executive officer of the State concerned not later than thirty days after such request has been made, or at a time after such request has been made as agreed upon by such Governor or chief executive officer of the State concerned and the Director.

TERMS AND PERIODS OF SERVICE

SEC. 104. (a) Volunteers serving under this part shall be required to make a full-time personal commitment to combating poverty and poverty-related human, social, and environmental problems. To the maximum extent practicable, this shall include a commitment to live among and at the economic level of the people served, and to remain available for service without regard to regular working hours, at all times during their periods of service, except for authorized periods of leave.

(b) Volunteers serving under this part may be enrolled for periods of service not exceeding two years, but for not less than one-year periods of service, except that volunteers serving under this part may be enrolled for periods of service of less than one year when the Director determines, on an individual basis, that a period of service of less than one year is necessary to meet a critical scarce-skill need. Volunteers serving under this part may be reenrolled for periods of service totaling not more than two years. No volunteer shall serve for more than a total of five years under this part.

(c) Volunteers under this part shall, upon enrollment, take the oath of office as prescribed in section 5(j) of the Peace Corps Act as amended (22 U.S.C. 2504(j)), except that persons legally residing within a State but who are not citizens or nationals of the United States, may serve under this part without taking or subscribing to such oath, if the Director determines that the service of such persons will further the interests of the United States. Such persons shall take such alternative oath or affirmation as the Director shall deem appropriate.

(d) The Director shall establish a procedure, including notice and opportunity to be heard, for volunteers under this part to present and obtain resolution of grievances and to present their views in connection with the terms and conditions of their service. The Director shall promptly provide to each volunteer in service on the date of enactment of this Act, and to each such volunteer beginning service thereafter, information regarding such procedure and the terms and conditions of their service.

SUPPORT SERVICE

SEC. 105. (a)(1) The Director may provide a stipend to volunteers, while they are in training and during their assignments, enrolled for periods of service of not less than one year under this part, except that the Director may, on an individual basis, make an exception to provide a stipend to a volunteer enrolled under this part for an extended period of service not totaling one year. Such stipend shall not exceed $75 [5] per month during the volunteer's service, except that the Director may provide a stipend not to exceed $75 per month in the case of persons who have served for at least one year and who, in accordance with standards established in regulations which the Director shall prescribe, have been designated volunteer leaders on the basis of experience and special skills and a demonstrated leadership among volunteers.

(2) Stipends shall be payable only upon completion of a period of service, except that in extraordinary circumstances the Director may from time to time advance all or a portion of the accrued stipend to or on behalf of a volunteer. In the event of the death of a volunteer during service, the amount of any unpaid stipend shall be paid in accordance with the provisions of section 5582 of title 5, United States Code.

(b) The Director shall also provide volunteers such living, travel (including travel to and from places of training), and leave allowances, and such housing, supplies, equipment, subsistence, clothing, health and dental care, transportation, supervision, technical assistance and such other support as he deems necessary and appropriate to carry out the purpose and provisions of this part, and shall insure that each such volunteer has available such allowances and support as will enable the volunteer to carry out the purpose and provisions of this part and to effectively perform the work to which such volunteer is assigned.

PARTICIPATION OF BENEFICIARIES

SEC. 106. To the maximum extent practicable, the people of the communities to be served by volunteers under this title shall participate in planning, developing, and implementing programs thereunder, and the Director, after consultation with sponsoring agencies (including volunteers assigned to them) and the people served by such agencies, shall take all necessary steps to establish in regulations he shall prescribe, a continuing mechanism for the meaningful participation of such program beneficiaries.

PARTICIPATION OF OLDER PERSONS

SEC. 107. In carrying out this part and part C of this title, the Director shall take necessary steps, including the development of special projects, where appropriate, to encourage the fullest participation of older persons and older persons membership groups as volunteers and participant agencies in the various programs and activities authorized under such parts and because of the high proportion of older persons within the poverty group, shall encourage the development of a variety of volunteer services to older persons, including special projects, to assure that such persons are served in proportion to their need.

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[5] The authorization for a stipend increase, from $50 to $75 per month, was added by section 5(a) of Public Law 94-130, an Act to amend further the Peace Corps Act, and for other purposes (Nov. 14, 1975).

LIMITATIONS [9]

SEC. 108. Of funds appropriated for the purpose of this part under section 501, not more than 20 per centum for the fiscal year ending September 30, 1977, and for each fiscal year thereafter, may be obligated for the direct cost of supporting volunteers in programs or projects carried out pursuant to grants and contracts made under section 402(12).

PART B—SERVICE-LEARNING PROGRAMS

STATEMENT OF PURPOSE

SEC. 111. This part provides for the University Year for ACTION (UYA) program of full-time volunteer service by students enrolled in institutions of higher education, together with appropriate powers and responsibilities designed to assist in the development and coordination of such programs. The purpose of this part is to strengthen and supplement efforts to eliminate poverty and poverty-related human, social, and environmental problems by enabling students at such cooperating institutions to perform meaningful and constructive volunteer service in connection with the satisfaction of such students' course work during their periods of service while attending such institutions, in agencies, institutions, and situations where the application of human talent and dedication may assist in the solution of poverty and poverty-related problems and secure and exploit opportunities for self-advancement by persons afflicted with such problems. Its purpose further is to encourage other students and faculty members to engage, on a part-time, self-supporting basis, in such volunteer service and work along with volunteers serving under this part; and to promote participation by such institutions in meeting the needs of the poor in the surrounding community through expansion of service-learning programs and otherwise. Its purpose further is to provide for a program of part-time or short-term service-learning by secondary and post-secondary school students to strengthen and supplement efforts to eliminate poverty and poverty-related human, social, and environmental problems.

AUTHORITY TO OPERATE UNIVERSITY YEAR FOR ACTION PROGRAM

SEC. 112. Except as otherwise provided in this part, the Director is authorized to conduct or make grants and contracts for, or both, programs to carry out the purposes of this part in accordance with the authorities and subject to the restrictions in the provisions of part A of this title, except for the provisions of sections 103(d) and 104(d), and except that the Director may, in accordance with regulations he shall prescribe, determine to reduce or eliminate the stipend for volunteers serving under this part on the basis of the value of benefits provided such volunteers by the institution in question (including the reduction or waiver of tuition).

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[9] New section 108 was added by section 4(a)(1) of Public Law 94-293, supra. Section 4(c) of Public Law 94-293, supra, provides that the new section 108 "shall be effective on October 1, 1976, and shall not apply to any agreement for the assignment of volunteers entered into before such date during the period of any such agreement."

SPECIAL CONDITIONS

SEC. 113. (a) Volunteers serving under this part shall be enrolled for periods of service as provided for in subsection (b) of section 104, and may receive academic credit for such service in accordance with the regulations of the sponsoring institution of higher education.

(b) Grants to and contracts with institutions to administer programs under this part shall provide that prospective student volunteers shall participate substantially in the planning of such programs and that such institutions shall make available to the poor in the surrounding community all available facilities, including human resources, of such institutions in order to assist in meeting the needs of such poor persons.

(c)(1) In making grants or contracts for the administration of UYA programs under this part, the Director shall insure that financial assistance under this Act to programs carried out pursuant to section 112 of this part shall not exceed 90 per centum of the total cost (including planning costs) of such program during the first year and such amounts less than 90 per centum as the Director, in consultation with the institution, may determine for not more than four additional years, including years in which support was received under title VIII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2991–2994d). Each such grant or contract shall stipulate that the institution will make every effort to (A) assume an increasing proportion of the cost of continuing a program carrying out the purpose of this part while the institution receives support under this part; (B) waive or otherwise reduce tuition for participants in such program, where such waiver is not prohibited by law; (C) utilize students and faculty at such institution to carry out, on a self-supporting basis, appropriate planning for such programs; and (D) maintain similar service-learning programs after such institution no longer receives support under this part.

(2) The Director shall take necessary steps to monitor the extent of compliance by such institutions with commitments entered into under paragraph (1) of this subsection and shall advise the Secretary of Health, Education, and Welfare of the extent of each such institution's compliance.

SPECIAL SERVICE-LEARNING PROGRAMS

SEC. 114. (a) Of the funds appropriated for the operation of programs under this part, up to 10 per centum may be used, notwithstanding any other provisions of this part, to encourage and enable students in secondary, secondary vocational, and post-secondary schools to participate in service-learning programs on an in- or out-of-school basis in assignments of a character and on such terms and conditions as described in subsections (a) and (c) of section 103. In any fiscal year in which the funds appropriated for the purposes of the University Year for ACTION program under section 112 exceed $6,700,000, the limitation provided in the preceding sentence shall not apply with respect to that portion of such appropriation which exceeds $6,700,000.[7]

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[7] This sentence was added by section 2 of Public Law 94-293, supra.

(b) Persons serving as volunteers under this section shall not be deemed to be Federal employees for any purposes.

(c) The Director may provide volunteers serving under this section a living allowance and only such other support or allowance as he determines, pursuant to regulations which he shall perscribe, are required because of unusual or special circumstances affecting the program.

Part C—Special Volunteer Programs

STATEMENT OF PURPOSE

Sec. 121. This part provides for special emphasis and demonstration volunteer programs, together with appropriate powers and responsibilities designed to assist in the development and coordination of such programs. The purpose of this part is to strengthen and supplement efforts to meet a broad range of human, social, and environmental needs, particularly those related to poverty, by encouraging and enabling persons from all walks of life and from all age groups to perform meaningful and constructive volunteer service in agencies institutions, and situations where the application of human talent and dedication may help to meet such needs.

AUTHORITY TO ESTABLISH AND OPERATE PROGRAMS

Sec. 122. (a) The Director is authorized to conduct or make grants or contracts, or both, for special volunteer programs or demonstration programs (such as but not limited to a program to provide alternatives to the incarceration of youthful offenders; a program to promote educational opportunities for veterans; and a program to provide community-based peer group outreach and counseling for drug abusers) designed to stimulate and initiate improved methods of providing volunteer services, to encourage wider volunteer participation on a full-time, part-time, or short-term basis to further the purpose of this part, and to identify particular segments of the poverty community which could benefit from volunteer and other antipoverty efforts.

(b) Except as provided in subsection (c) of this section, assignment of volunteers under this section shall be on such terms and conditions as the Director shall determine, pursuant to regulations which he shall prescribe.

(c) The Director, in accordance with regulations he shall prescribe, may provide to persons serving as full-time volunteers in a program of at least one year's duration under this part such allowances and stipends, to the extent and in amounts not in excess of those authorized to be provided under part A of this title, as he determines are necessary to carry out the purpose of this part. The Director is authorized to undertake and support volunteer service programs, and to recruit, select, and train volunteers to carry out the purpose of this part.[8]

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[8] This sentence was added by section 3(a) of Public Law 94-293 supra.

TECHNICAL AND FINANCIAL ASSISTANCE FOR IMPROVEMENT OF VOLUNTEER PROGRAMS [9]

SEC. 123. The Director may provide technical and financial assistance to Federal agencies, State and local governments and agencies, and private nonprofit organizations, which utilize or desire to utilize volunteers in connection with carrying out the purpose of this part. Such assistance may be used to facilitate and improve (1) methods of recruiting, training, or utilizing volunteers, or (2) the administration of volunteer programs. In providing such technical and financial assistance, the Director shall utilize, to the maximum extent feasible, existing programs, and shall seek to avoid duplication of existing programs in the public or private sectors.

TITLE II—NATIONAL OLDER AMERICAN VOLUNTEER PROGRAMS

PART A—RETIRED SENIOR VOLUNTEER PROGRAM

GRANTS AND CONTRACTS FOR VOLUNTEER SERVICE PROJECTS

SEC. 201. (a) In order to help retired persons to avail themselves of opportunities for volunteer service in their community, the Director is authorized to make grants to State agencies (established or designated pursuant to section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024(a)(1))) or grants to or contracts with other public and nonprofit private agencies and organizations to pay part or all of the costs for the development or operation, or both, of volunteer service programs under this section, if he determines, in accordance with regulations he shall prescribe, that—

(1) volunteers will not be reimbursed for other than transportation, meals, and other out-of-pocket expenses incident to the provision of services under this part;

(2) only individuals aged sixty or over will be enrolled as volunteers to provide services under this part (except for administrative purposes), and such services will be performed in the community where such individuals reside or in nearby communities either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations (other than political parties), other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(3) the program includes such short-term training as may be necessary to make the most effective use of the skills and talents of participating volunteers and individuals, and provide for the payment of the reasonable expenses of such volunteers while undergoing such training; and

(4) the program is being established and will be carrred out with the advice of persons competent in the field of service involved, and of persons with interest in and knowledge of the needs of older persons.

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[9] Section 123 was added by section 3(b)(1) of Public Law 94-293, supra.

(b) In no event shall the required proportion of the local contribution (including in-kind contributions) for a grant or contract made under this section be more than 10 per centum in the first year of assistance under this section, 20 per centum in the second such year, 30 per centum in the third such year, 40 per centum in the fourth such year, and 50 per centum in any subsequent such years: *Provided, however*, That the Director may make exceptions in cases of demonstrated need, determined (in accordance with regulations which the Director shall prescribe) on the basis of the financial capability of a particular recipient of assistance under this section, to permit a lesser local contribution proportion than any required contribution proportion established by the Director in generally applicable regulations.[10]

(c) [10] The Director shall not award any grant or contract under this part for a project in any State to any agency or organization unless, if such State has a State agency established or designated pursuant to section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024(a)(1)), such agency itself is the recipient of the award or such agency has been afforded at least sixty days in which to review the project application and make recommendations thereon.

PART B—FOSTER GRANDPARENT PROGRAM AND OLDER AMERICAN COMMUNITY SERVICE PROGRAMS

GRANTS AND CONTRACTS FOR VOLUNTEER SERVICE PROJECTS

SEC. 211. (a) The Director is authorized to make grants to or contracts with public and nonprofit private agencies and organizations to pay part or all of the cost of development and operation of projects (including direct payments to individuals [11] serving under this part) designed for the purpose of providing opportunities for low-income persons aged sixty or over to [12] provide supportive person-to-person services in health, education, welfare, and related settings to children having exceptional needs, including services by individuals [11] serving as "foster grandparents" to children receiving care in hospitals, homes for dependent and neglected children, or other establishments providing care for children with special needs. The Director may approve assistance in excess of 90 per centum of the costs of the development and operation of such projects only if he determines, in accordance with regulations he shall prescribe establishing objective criteria, that such action is required in furtherance of the purpose of this section. Provision for such assistance shall be effective as of September 19, 1972. In the case of any project with respect to which, prior to such date, a grant or contract has been made under section 611(a) of the Older Americans Act of 1965, as amended (42 U.S.C. 3044b) or with respect to any project under the Foster Grandparent program in effect prior to September 17, 1969, contributions in cash or in kind from the Bureau of Indian Affairs, Department of the Interior, toward the cost of the project may be counted as part of the cost thereof which is met from non-Federal sources.

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[10] Subsection (b) was added by section 4 of Public Law 93-351, an Act to amend title VII of the Older Americans Act relating to the nutrition program for the elderly to provide authorization of appropriations, and for other purposes (July 12, 1974); the then existing subsection (b) was redesignated as subsection (c).

[11] Section 205(b)(1)(A) of Public Law 94-135, the Older Americans Amendments of 1975 (November 28 1975), substituted the word "individuals" for "volunteers" in sections 211 and 212.

[12] Section 205(b)(1)(B) of Public Law 94-135, supra, deleted the phrase "serve as volunteers to".

(b) The Director is also authorized to make grants or contracts to carry out the purpose described in subsection (a) of this section in the case of persons (other than children) having exceptional needs, including services by individuals [11] serving as "senior health aides" to work with persons receiving home health care, nursing care, or meals on wheels or other nutritional services, and as "senior companions" to persons having developmental disabilities or other special needs for companionship.

(c)(1) Any public or private nonprofit agency or organization responsible for providing person-to-person services to a child in a project carried out under subsection (a) of this section shall have the exclusive authority to determine, pursuant to the provisions of paragraph (2) of this subsection—

(A) which children may receive supportive person-to-person services under such project; and

(B) the period of time during which such services shall be continued in the case of each individual child.

(2) In the event that such an agency or organization determines that it is in the best interests of a mentally retarded child receiving, and of a particular foster grandparent providing, services in such a project, such relationship may be continued after the child reaches the chronological age of 21: *Provided*, That such child was receiving such services prior to attaining the chronological age of 21.

(3) Any determination made by a public or nonprofit private agency or organization under paragraphs (1) and (2) of this subsection shall be made through mutual agreement by all parties involved with respect to the provision of services to the child involved.[13]

(d)[13] For the purposes of this section, the terms 'child' and 'children' mean any individual or individuals who are less than 21 years of age.[13]

CONDITIONS OF GRANTS AND CONTRACTS

SEC. 212. (a)(1) In carrying out this part, the Director shall insure that individuals [11] receiving assistance in any project are older persons of low income who are no longer in the regular work force.

(2) The Director shall not award a grant or contract under this part which involves a project proposed to be carried out throughout the State or over an area more comprehensive than one community unless—

(A) the State agency established or designated under section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024(a)(1)) is the applicant for such grant or contract or, if not, such agency has been afforded a reasonable opportunity to apply for and receive such award and to administer or supervise the administration of the project; and

(B) in cases in which such agency is not the grantee or contractor (including cases to which clause (A) applies but in which such agency has not availed itself of the opportunity to apply for and receive such award), the application contains or is supported by satisfactory assurances that the project has been developed, and will to the extent appropriate be conducted, in consultation with, or with the participation of, such agency.

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[13] Subsections (c) and (d) were added by section 7 of Public Law 94-293, supra.

(3) The Director shall not award a grant or contract under this part which involves a project proposed to be undertaken entirely in a community served by a community action agency unless—

(A) such agency is the applicant for such grant or contract or, if not, such agency has been afforded a reasonable opportunity to apply for and receive such award and to administer or supervise the administration of the project;

(B) in cases in which such agency is not the grantee or contractor (including cases to which clause (A) applies but in which such agency has not availed itself of the opportunity to apply for and receive such award), the application contains or is supported by satisfactory assurances that the project has been developed, and will to the extent appropriate be conducted in consultation with, or with the participation of, such agency; and

(C) if such State has a State agency established or designated pursuant to section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024(a)(1)), such agency has been afforded at least forty-five days in which to review the project application and make recommendations thereon.

(b) The term "community action agency" as used in this section means a community action agency as defined in title II of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2781–2837).

PART C—GENERAL PROVISIONS

COORDINATION WITH OTHER FEDERAL PROGRAMS

SEC. 221. In carrying out this title, the Director shall consult with the Office of Economic Opportunity, the Departments of Labor and Health, Education, and Welfare, and any other Federal agencies administering relevant programs with a view to achieving optimal coordination with such other programs, and shall promote the coordination of projects under this title with other public or private programs or projects carried out at State and local levels. Such Federal agencies shall cooperate with the Director in disseminating information about the availability of assistance under this title and in promoting the identification and interest of low-income and other older persons whose services may be utilized in projects under this title.[14]

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[14] Section 205(c) of Public Law 94-135, supra, provides that:

"(c)(1) In order to provide maximum coordination between programs carried out under title III and tit. VII of the Older Americans Act of 1965 (42 U.S.C. 3021 et seq.; 42 U.S.C. 3045 et seq.) and national older American volunteer programs carried out under title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5001 et seq.), and in order to enhance the effectiveness of the support provided to such national older American volunteer programs by the ACTION Agency, the Director of the ACTION Agency shall designate an aging resource specialist with respect to programs carried out in each State under title II of the Domestic Volunteer Service Act of 1973.

"(2)(A) Each aging resource specialist designated under paragraph (1) shall be qualified to serve in such capacity by appropriate experience and training, and shall be stationed in a State office of the ACTION Agency.

"(B) The primary responsibility of each aging resource specialist shall be—

"(i) to support programs carried out under title II of the Domestic Volunteer Service Act of 1973 in any State or other jurisdiction served by the State office involved; and

"(ii) to seek to coordinate such programs with programs carried out under title III and title VII of the Older Americans Act of 1965 in any such State or other jurisdiction.

"(3) For purposes of this subsection—

"(A) the term "ACTION Agency" means the ACTION Agency established by section 401 of the Act (42 U.S.C. 5041);

"(B) the term "primary responsibility" means the devotion of more than one-half of regular working hours to the performance of duties described in paragraph (2)(B); and

"(C) the term "State" means the several States, the District of Columbia, the Virgin Islands, Puerto Rico, Guam, American Samoa, and the Trust Territory of the Pacific Islands."

PAYMENTS

Sec. 222. Payments under this title pursuant to a grant or contract may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursement, in such installments and on such conditions, as the Director may determine.

MINORITY GROUP PARTICIPATION

Sec. 223. The Director shall take appropriate steps to insure that special efforts are made to recruit, select, and assign qualified individuals sixty years and older from minority groups to serve as volunteers under this title.

TITLE III—NATIONAL VOLUNTEER PROGRAMS TO ASSIST SMALL BUSINESSES AND PROMOTE VOLUNTEER SERVICE BY PERSONS WITH BUSINESS EXPERIENCE[15]

STATEMENT OF PURPOSE

Sec. 301. This title provides for programs in which persons with business experience volunteer to assist persons, especially those who are economically disadvantaged, engaged in, or who seek to engage in, small business enterprises, and to make available their expertise as volunteers in programs authorized by, or of a character eligible for assistance under, this Act, the Economic Opportunity Act of 1964, as amended (42 U.S.C. chap. 34) (particularly title VII thereof), or the Small Business Act (15 U.S.C. chap. 14A). The purpose of this title is to utilize the skills and expertise of persons with business experience to assist persons in, or seeking to enter, business enterprises, or to carry out management and financial counseling activities in furtherance of the purposes of this Act.

AUTHORITY TO ESTABLISH, COORDINATE, AND OPERATE PROGRAMS

Sec. 302. (a) The Director is authorized to establish and conduct, and to recruit, select, and train volunteers for (and to make grants or enter into contracts therefor), volunteer programs, including a Service Corps of Retired Executives (SCORE) and an Active Corps of Executives (ACE) and programs in which SCORE and ACE volunteers expand the application of their expertise beyond Small Business Administration clients, to carry out the purpose of this title: *Provided, however*, That the services of volunteers who are assisting persons or enterprises seeking to obtain, or receiving, financial or management counseling assistance from the Small Business Administration shall be performed under the direction of the Administrator of the Small Business Administration (hereinafter referred to in this title as the "Administrator") pursuant to section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1)).

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[15] Title III programs were reassigned to the sole sponsorship of the Small Business Administration by Executive Order 11871 of July 18, 1975.

(b) The assignment of volunteers engaged in programs under this title shall be on such terms and conditions as the Director may determine, except that he shall prescribe such terms and conditions in agreement with the Administrator with respect to the service of volunteers described in the proviso in subsection (a) of this section.

(c)(1) Such volunteers, while carrying out activities under this title and section 8(b)(1) of the Small Business Act (15 U.S.C. 637 (b)(1)), shall be deemed Federal employees for the purpose of the Federal tort claims provisions in title 28, United States Code.

(2) The Director is authorized to reimburse such volunteers only for such necessary out-of-pocket expenses incident to their provision of services under this Act as he shall determine, in accordance with regulations which he shall prescribe, and, while they are carrying out such activities away from their homes or regular places of business, for travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for inddividuals serving without pay.

(3) Such volunteers shall in no way (A) participate for the benefit of the Small Business Administration (rather than on behalf of their clients) in any screening or evaluation activities in connection with applications for loans from such Administration, or (B) provide services to a client of such Administration with a delinquent loan outstanding, except upon a specific request signed by such client for assistance in connection with such matter.

(d) The Director and the Administrator shall cooperate in order to make available to such volunteers, or groups thereof, such use of the office facilities and related supplies, materials, and services of the Small Business Administration and the ACTION Agency as they deem appropriate to assist such volunteers to carry out such activities, including authorized meetings of groups of volunteers.

(e) Except as otherwise provided in this Act, activities authorized to be carried out both by this title and by section 8(b)(1) of the Small Business Act (15 U.S.C. 637 (b)(1)) shall be carried out under this title to the maximum extent feasible.

TITLE IV—ADMINISTRATION AND COORDINATION

ESTABLISHMENT OF AGENCY

SEC. 401. There is hereby established in the executive branch of the Government an agency to be known as the ACTION Agency. Such Agency shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code. There shall also be in such agency a Deputy Director who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code. The Deputy Director shall perform such functions as the Director shall from time to time prescribe, and shall act as Director of the ACTION Agency during the absence or disability of the Director. There shall also be in such agency two Associate Directors who shall be appointed by the President by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code. One such Associate Director shall be designated "Associate Director for Domestic and Anti-Poverty Operations" and shall carry out operational responsibility for all programs authorized under this Act, and the other such Associate Director shall be designated "Associate Director for International Operations" and shall carry out operational responsibility for all programs authorized under the Peace Corps Act (22 U.S.C. 2501 et seq.). There shall also be in such agency no more than two Assistant Directors appointed by the President by and with the advice and consent of the Senate, who shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code. Each such Assistant Director shall perform such staff and support functions for such Associate Directors as the Director shall from time to time prescribe. There shall also be in such agency one Deputy Associate Director, under the Associate Director for Domestic and Anti-Poverty Operations, primarily responsible for programs carried out under parts A and B of title I of this Act and one Deputy Associate Director, under the Associate Director for Domestic and Anti-Poverty Operations, primarily responsible for programs carried out under title II of this Act, each of whom shall be appointed by the Director.

AUTHORITY OF THE DIRECTOR

SEC. 402. In addition to the authority conferred upon him by other sections of this Act ,the Director is authorized to—

(1) appoint in accordance with the Civil Service laws such personnel as may be necessary to enable the ACTION Agency to carry out its functions, and, except as otherwise provided herein, fix the compensation of such personnel in accordance with chapter 51 of title 5, United States Code;

(2)(A) employ experts and consultants or organizations thereof as authorized by section 3109 of title 5, United States Code, except that no individual may be employed under the authority of this subsection for more than one hundred days in any fiscal year; (B) compensate individuals so employed at rates not in excess of the daily equivalent of the rate payable to a GS-18 employee under section 5332 of such title, including traveltime; (C) allow such individuals, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of such title for persons in the Government service employed intermittently, while so employed; and (D) annually renew contracts for such employment under this clause;

(3) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of the provisions of this Act and, as necessary or appropriate, delegate any of his functions under this Act and authorize the redelegation thereof subject to provisions to assure the maximum possible liaison between the ACTION Agency and such other agencies at all operating levels, which shall include the furnishing of complete operational information by such other

agencies to the ACTION Agency and the furnishing of such information by the ACTION Agency to such other agencies;

(4) with their consent, utilize the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivisions without reimbursement;

(5) accept in the name of the ACTION Agency, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(6) accept voluntary and uncompensated services;

(7) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code), expenditure for construction, repairs, and capital improvements;

(8) disseminate, without regard to the provisions of section 3204 of title 39, United States Code, data and information, in such form as he shall deem appropriate to public agencies, private organizations, and the general public;

(9) adopt an official seal, which shall be judicially noticed;

(10) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations in accordance with Federal Claims Collection Act of 1966 (31 U.S.C. 951–53);

(11) expend funds made available for purposes of this Act as follows: (A) for printing and binding, in accordance with applicable law and regulations; and (B) without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this subclause (B)—

(i) except when necessary to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and

(ii) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority;

(12) notwithstanding any other provision of law, make grants to or contracts with Federal or other public departments or agencies and private nonprofit organizations for the assignment or referral of volunteers under this Act.

(except as provided in section 108)[16] **which may provide that the agency or organization shall pay all or a part of the costs of the program;**

(13) provide or arrange for educational and vocational counseling of volunteers and recent former volunteers under this Act to (A) encourage them to use in the national interest the skills and experience which they have derived from their training and service, particuarlly working in combating poverty as members of the helping professions, and (B) promote the development, and the placement therein of such volunteers, of appropriate opportunities for the use of such skills and experience;

(14) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organization and persons, and make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants otherwise authorized under this Act, with necessary adjustments on account of overpayments and underpayments) as are necessary or appropriate to carry out the provisions of this Act; and

(15) generally perform such functions and take such steps, consistent with the purposes and provisions of this Act, as he deems necessary or appropriate to carry out the provisions of this Act.

POLITICAL ACTIVITIES

SEC. 403. (a) No part of any funds appropriated to carry out this Act, or any program administered by the ACTION Agency, shall be used to finance, directly or indirectly, any activity designed to influence the outcome of any election to Federal office, or any voter registration activity, or to pay the salary of any officer or employee of the ACTION Agency, who, in his official capacity as such an officer or employee, engages in any such activity. As used in this section, the term "election" has the same meaning given such term by section 301(a) of the Federal Election Campaign Act of 1971 (Public Law 92–225), and the term "Federal office" has the same meaning given such term by section 301(c) of such Act.

(b) Programs assisted under this Act shall not be carried on in a manner involving the use of funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office, (2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election, or (3) any voter registration activity. The Director, after consultation with the Civil Service Commission, shall issue rules and regulations to provide for the enforcement of this section, which shall include provisions for summary

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[16] Section 4(b) of Public Law 94-293, supra, inserted the parenthetical phrase in lieu of "(except for volunteers serving under part A of title I thereof)". Section 4(c) of Public Law 94-293, supra, provided that the new parenthetical phrase (as well as the new section 108 added at the same time) "shall be effective on October 1, 1976, and shall not apply to any agreement for the assignment of volunteers entered into before such date during the period of any such agreement." See p. 6, supra.

suspension of assistance for no more than thirty days until notice and an opportunity to be heard can be provided or other action necessary to permit enforcement on an emergency basis.

SPECIAL LIMITATIONS

SEC. 404. (a) The Director shall prescribe regulations and shall carry out the provisions of this Act so as to assure that the service of volunteers assigned, referred, or serving pursuant to grants, contracts, or agreements made under this Act is limited to activities which would not otherwise be performed by employed workers and which will not supplant the hiring of or result in the displacement of employed workers, or impair existing contracts for service.

(b) All support, including transportation provided to volunteers under this Act, shall be furnished at the lowest possible costs consistent with the effective operation of volunteer programs.

(c) No agency or organization to which volunteers are assigned hereunder, or which operates or supervises any volunteer program hereunder, shall request or receive any compensation for services of volunteers supervised by such agency or organization.

(d) No funds authorized to be appropriated herein shall be directly or indirectly utilized to finance labor or anti-labor organization or related activity.

(e) Persons serving as volunteers under this Act shall provide such information concerning their qualifications, including their ability to perform their assigned tasks, and their integrity, as the Director shall prescribe and shall be subject to such procedures for selection and approval as the Director determines are necessary to carry out the purposes of this Act. The Director may establish such special procedures for the recruitment, selection, training, and assignment of low-income residents of the area to be served by a program under this Act who wish to become volunteers as he determines will further the purposes of this Act.

(f) Notwithstanding any other provision of law and except as provided in the second sentence of this subsection, the Director shall assign or delegate any substantial responsibility for carrying out programs under this Act only to persons appointed or employed pursuant to clauses (1) and (2) of section 402, and persons assigned or delegated such substantial responsibilities on the effective date of this Act and who are receiving compensation in accordance with provisions of law other than the applicable provisions of title 5, United States Code, on such date shall, by operation of law on such date, be assigned a grade level pursuant to such latter provisions so as to fix the compensation of such persons under such authority at no less than their compensation rate on the day preceding such date. The Director may personally make exceptions to the requirement set forth in the first sentence of this subsection for persons he finds will be assigned to carrying out functions under the Peace Corps Act (22 U.S.C. 2501 et seq.) within six months after the effective date of this Act.

(g) Notwithstanding any other provision of law except as may be provided expressly in limitation of this subsection, payments to volunteers under this Act shall not in any [illegible]y reduce or eliminate the level of or eligibility for assistance or servic[illegible] any such volunteers may be receiving under any governmental pro[illegible]m.

NATIONAL VOLUNTARY SERVICE ADVISORY COUNCIL

SEC. 405. (a) There is hereby established in the ACTION Agency a National Voluntary Service Advisory Council (hereinafter referred to as the "Council") to be composed of not more than twenty-five members appointed, not later than ninety days after the date of the enactment of this Act, by and serving at the pleasure of the President. Such members shall be representative of public and private organizations, groups, and individuals interested in serving and benefited by programs carried out under this Act and the Peace Corps Act (22 U.S.C. 2501 et seq.). The President shall designate a temporary chairperson from such members and shall call the initial meeting of the Council within thirty days after appointment of such Council. Members of the Council shall designate a permanent chairperson from such members and shall meet at the call of such chairperson, but not less than four times in each year. Members of the Council, other than those regularly employed by the Federal Government, while attending meetings of such Council shall receive compensation and travel expenses as provided in section 402(2) of this Act with respect to experts and consultants. The Director and Deputy Director of the ACTION Agency shall be ex officio members of the Council.

(b) The Council shall—

(1) advise the Director with respect to policy matters arising in the administration of this Act and the Peace Corps Act (22 U.S.C. 2501 et seq.); and

(2) upon the request of the Director, review the effectiveness and the operation of programs under this Act and the Peace Corps Act and make recommendations (including such proposals for changes in such Acts as the Council deems appropriate) concerning (A) the improvement of such programs, (B) the elimination of duplication of effort, and (C) the coordination of such programs with other Federal programs designed to assist the beneficiaries of such Acts.

(c) Not later than January 1 of each calendar year beginning with the calendar year 1975, the Council shall make an annual report of findings and recommendations to the President for transmittal by the President to the Congress together with his comments and recommendations.

(d) In the event that a National Advisory Council to the ACTION Agency is established by administrative action after January 1, 1976, the provisions of subsections (a), (b), and (c) of this section shall apply to any such Council.[17]

LABOR STANDARDS

SEC. 406. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Number 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and in section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, ch. 492, as amended; 40 U.S. C. 276c).

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[17] Subsection (d) was added by section 5(a) of Public Law 94-293, supra.

REPORTS

SEC. 407. Not later than one hundred and twenty days after the end of each fiscal year, the Director shall prepare and submit to the President for transmittal by the President to the Congress a full and complete report on the activities of the ACTION Agency during such year.

JOINT FUNDING

SEC. 408. Pursuant to regulations prescribed by the President, and to the extent consistent with the other provisions of this Act, where funds are provided for a single project by more than one Federal agency to an agency or organization assisted under this Act, the Federal agency principally involved may be designated to act for all in administering the funds provided, and, notwithstanding any other provision of law, in such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency. When the principal agency involved is the ACTION Agency, it may waive any grant or contract requirement (as defined by such regulations) under or pursuant to any law other than this Act, which requirement is inconsistent with the similar requirements under or pursuant to this Act.

PROHIBITION OF FEDERAL CONTROL

SEC. 409. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any education institution or school system.

COORDINATION WITH OTHER PROGRAMS

SEC. 410. The Director shall take necessary steps to coordinate volunteer programs authorized under this Act with one another, with community action programs, and with other related Federal, State, and local programs. The Director shall also consult with the heads of other Federal, State, and local agencies responsible for programs related to the purposes of this Act with a view to encouraging greater use of volunteer services in those programs and establishing in connection with them systematic procedures for the recruitment, referral, or necessary preservice orientation or training of volunteers serving pursuant to this Act.

PROHIBITION

SEC. 411. In order to assure that existing Federal agencies are used to the fullest extent possible in carrying out the purposes of this Act. no funds appropriated to carry out this Act shall be used to establish any new department or office when the intended function is being performed by an existing department of office.

NOTICE AND HEARING PROCEDURES FOR SUSPENSION AND TERMINATION OF FINANCIAL ASSISTANCE

SEC. 412. The Director is authorized, in accordance with the provisions of this section, to suspend further payments or to terminate payments under any contract or grant providing assistance under this Act, whenever he determines there is a material failure to comply with the applicable terms and conditions of any such grant or contract. The Director shall prescribe procedures to insure that—

(1) assistance under this Act shall not be suspended for failure to comply with applicable terms and conditions, except in emergency situations for thirty days, nor shall an application for refunding under this Act be denied, unless the recipient has been given reasonable notice and opportunity to show cause why such action should not be taken; and

(2) assistance under this Act shall not be terminated for failure to comply with applicable terms and conditions unless the recipient has been afforded reasonable notice and opportunity for a full and fair hearing.[18]

DISTRIBUTION OF BENEFITS BETWEEN RURAL AND URBAN AREAS

SEC. 414. The Director shall adopt appropriate administrative measures to assure that the benefits of and services under this Act will be distributed equitably between residents of rural and urban areas.

APPLICATION OF FEDERAL LAW

SEC. 415. (a) Except as provided in subsections (b), (c), (d), and (e) of this section, volunteers under this Act shall not be deemed Federal employees and shall not be subject to the provisions of laws relating to Federal officers and employees and Federal employment.

(b) Individuals enrolled in programs under title I of this Act for periods of service of at least one year shall, with respect to such service or training, (1) for the purposes of subchapter III of chapter 73 of title 5, United States Code, be deemed persons employed in the executive branch of the Federal Government, (2) for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and title II of the Social Security Act (42 U.S.C. 401 et seq.), be deemed employees of the United States, and any service performed by an individual as a volunteer (including training) shall be deemed to be performed in the employ of the United States, (3) for the purposes of the Federal Tort Claims provisions of title 28, United States Code, be deemed employees of the United States, and (4) for the purposes of subchapter I of chapter 81 of title 5, United States Code (relative to compensation to Federal employees for work injuries), shall be deemed civil employees of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply except as follows: (A) in computing compensation benefits for disability or death, the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS-7 employee, and subsections (a) and (b) of section 8113 of title 5, United States Code, shall apply, and (B) compensation for disability shall not begin to accrue until the day following the date on which the injured volunteer is terminated.

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[18] The following section was deleted pursuant to section 5(b)(1) of Public Law 94-293, supra. :

DURATION OF PROGRAM

SEC. 413. The Director shall carry out the programs provided for in this Act during the fiscal year ending June 30, 1974, and the three succeeding fiscal years. For each such fiscal year, only such sums may be appropriated as the Congress may authorize by law.

(c) Any period of service of a volunteer enrolled in a program for a period of service of at least one year under part A of title I of this Act, and any period of full-time service of a volunteer enrolled in a program for a period of service of at least one year under part B or C of title I of this Act, shall be credited in connection with subsequent employment in the same manner as a like period of civilian employment by the United States Government—

(1) for the purposes of section 852(a)(1) of the Foreign Service Act of 1946, as amended (22 U.S.C. 1092(a)(1)), and every other Act establishing a retirement system for civilian employees of any United States Government agency; and

(2), except as otherwise determined by the President, for the purposes of determining seniority, reduction in force, and layoff rights, leave entitlement, and other rights and privileges based upon length of service under the laws administered by the Civil Service Commission, the Foreign Service Act of 1946, and every other Act establishing or governing terms and conditions of service of civilian employees of the United States Government: *Provided*, That service of a volunteer shall not be credited toward completion of any probationary or trial period or completion of any service requirement for career appointment.

(d) Volunteers serving in programs for periods of service of at least one year under part A of title I of this Act, and volunteers serving for such periods under title VIII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2991–2994d), including those whose service was completed under such Act, who the Director determines, in accordance with regulations he shall prescribe, have successfully completed their periods of service, shall be eligible for appointment in the competitive service in the same manner as Peace Corps volunteers as prescribed in Executive Order Number 11103 (April 10, 1963).

(e) Notwithstanding any other provision of law, all references in any other law to persons serving as volunteers under title VIII of the Economic Opportunity Act of 1964, as amended, shall be deemed to be references to persons serving as full-time volunteers in a program of at least one year's duration under part A, B, or C of title I of this Act.

EVALUATION

SEC. 416. (a) The Director shall periodically measure and evaluate the impact of all programs authorized by this Act, their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services. Evaluations shall be conducted by persons not immediately involved in the administration of the program or project evaluated.

(b) The Director shall develop and publish general standards for evaluation of program and project effectiveness in achieving the objectives of this Act. Reports submitted pursuant to section 407 shall describe the actions taken as a result of evaluations carried out under this section.

(c) In carrying out evaluations under this title, the Director shall whenever possible, arrange to obtain the opinions of program and project participants about the strengths and weaknesses of such programs and projects.

(d) The Director shall publish summaries of the results of evaluations of program and project impact and effectiveness no later than sixty days after the completion thereof.

(e) The Director shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with Federal funds shall become the property of the United States.

(f) The Director is authorized to use such sums as are required, but not to exceed 1 per centum of the funds appropriated under this Act, to conduct program and project evaluations (directly, or by grants or contracts) as required by this Act. In the case of allotments from such an appropriation, the amount available for such allotments (and the amount deemed appropriate therefor) shall be reduced accordingly.

NONDISCRIMINATION

SEC. 417. (a) The Director shall not provide financial assistance for any program under this Act unless the grant, contract, or agreement with respect to such program specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any such program because of race, creed, belief, color, national origin, sex, age, or political affiliation.

(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with, any program or activity receiving assistance under this Act. The Director shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964 (42 U.S.C. 2000d–1). Section 603 of such Act shall apply with respect to any action taken by the Director to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with any program or activity receiving assistance under this Act.

ELIGIBILITY FOR OTHER BENEFITS

SEC. 418. Notwithstanding any other provision of law, no payment for supportive services or reimbursement of out-of-pocket expenses made to persons serving pursuant to titles II and III of this Act shall be subject to any tax or charge or be treated as wages or compensation for the purposes of unemployment, temporary disability, retirement, public assistance, or similar benefit payments, or minimum wage laws. This section shall become effective with respect to all payments made after the effective date of this Act.

LEGAL EXPENSES

Sec. 419. Notwithstanding any other provision of law and pursuant to regulations which the Director shall prescribe, counsel may be employed and counsel fees, court costs, bail, and other expenses incidental to the defense of volunteers may be paid in judicial or administrative proceedings to which full-time volunteers (or part-time volunteers when such proceeding arises directly out of the performance of activities pursuant to this Act or section 8(b)(1) of the Small Business Act, as amended (15 U.S.C. 637(b)(1))), serving under this Act have been made parties.

GUIDELINES

Sec. 420. All rules, regulations, guidelines, instructions, and application forms published or promulgated pursuant to this Act shall be published in the Federal Register at least thirty days prior to their effective date.

DEFINITIONS

Sec. 421. For the purposes of this Act—

(1) the term "Director" means the Director of the ACTION agency;

(2) the terms "United States" and "States" mean the several States, the District of Columbia, the Virgin Islands, Puerto Rico, Guam, and American Samoa and, for the purposes of title II of this Act, the Trust Territory of the Pacific Islands;

(3) the term "nonprofit" as applied to any agency, institution, or organization means an agency, institution, or organization which is, or is owned and operated by, one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual; and

(4) the term "poor" or "low-income" persons, individuals, or volunteers means such individuals whose incomes fall at or below the poverty line as set forth in section 625 of the Economic Opportunity Act of 1964, as amended by Public Law 92–424 (42 U.S.C. 2971d): *Provided*, That in determining who is "poor" or "low-income", the Director shall take into consideration existing poverty guidelines as appropriate to local situations.

AUDIT

Sec. 422. (a) Each recipient of Federal grants, subgrants, contracts, subcontracts, or loans entered into under this Act other than by formal advertising, and which are otherwise authorized by this Act, shall keep such records as the Director shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (a) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which in the opinion of the Director or the Comptroller General may be related or pertinent to the grants, contracts, subcontracts, subgrants, or loans referred to in subsection (a).

TITLE V—AUTHORIZATION OF APPROPRIATIONS

NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

SEC. 501. (a) There are authorized to be appropriated $37,600,000 for the fiscal year ending June 30, 1974, and such sums as may be necessary each for the fiscal years ending June 30, 1975, June 30, 1976, September 30, 1977, and September 30, 1978,[19] for the purpose of carrying out title I of this Act. In each such year, of the sums appropriated pursuant to this title not less than $29,600,000 shall be expended on programs designed to eliminate poverty and poverty-related human, social, and environmental problems. Of this amount not less than $22,300,000 shall be expended on programs authorized under part A of title I in each such fiscal year.[20]

(b) Any sums authorized to be appropriated for title I of this Act in excess of $37,600,000 shall be reflected in a commensurate increase in the sums to be made available for part A of such title.

NATIONAL OLDER AMERICANS VOLUNTEER PROGRAMS

SEC. 502. (a) There are authoized to be appropriated $17,500,000 for the fiscal year ending June 30, 1974, $20,000,000 each for the fiscal year ending June 30, 1975, and for the fiscal year ending June 30, 1976, respectively, $6,000,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $22,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978, to be used for the purpose of carrying out programs under part A of title II of this Act.[21]

(b)(1) There are authorized to be appropriated $32,500,000 for the fiscal year ending June 30, 1974, $40,000,000 each for the fiscal years ending June 30, 1975, and June 30, 1976, respectively, $1,0750,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $43,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978, for the purpose of carrying out programs under part B of such title of which (A) $26,500,000 for the fiscal year ending June 30, 1974, and $32,000,000 each for the fiscal years ending June 30, 1975, and June 30, 1976, respectively, $8,750,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $35,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978, shall be available for such years for grants or contracts under subsection (a) of section 211, and (B) $6,000,000 for the fiscal year ending June 30, 1974, and $8,000,000 each for the fiscal years ending June 30, 1975, and June 30, 1976, respectively, $2,000,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $8,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978, shall be available for such years for grants or contracts under subsection (b) of such section.[22]

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[19] The authorization of appropriations were extended for fiscal years 1977 and 1978 by section 6(a) of Public Law 94-293, supra.

[20] Section 5(b) of Public Law 94-130, supra, authorized the appropriation of such sums as may be necessary for the increase, also thereby authorized, in the VISTA stipend (authorized under section 105(a)(1) of the Domestic Volunteer Service Act of 1973, as amended). In addition, "such amendments are to be effective for each fiscal year only to such extent and for such amounts as are specifically provided for such purpose in such appropriation Acts."

[21] The extension of the authorization and the amounts authorized to be appropriated for the transition quarter and fiscal years 1977 and 1978 were added by section 205(a)(1) of Public Law 94-135, supra.

(2) If the sums authorized to be appropriated under paragraph (1) of this subsection are not appropriated and made available in full for each such fiscal year, then such sums as are appropriated and made available for each such fiscal year shall be allocated so that—

(A) any amounts appropriated not in excess of a sum which when added to carryover balances otherwise available for obligation under subsection (a) of section 211 equal $25,000,000 shall be used for grants or contracts under such subsection; and

(B) any amounts appropriated in excess of a sum which when added to carryover balances otherwise available for obligation under subsection (a) of section 211 equals $31,000,000 for the fiscal year ending June 30, 1974, and $33,000,000 each for the fiscal years ending June 30, 1975, and June 30, 1976, respectively shall be used for grants or contracts for such fiscal years under such subsection.

NATIONAL VOLUNTEER PROGRAMS TO ASSIST SMALL BUSINESSES AND PROMOTE VOLUNTEER SERVICE BY PERSONS WITH BUSINESS EXPERIENCE

SEC. 503. There are authorized to be appropriated $208,000 for the fiscal year ending June 30, 1974, and such sums as may be necessary each for the fiscal years ending June 30, 1975, June 30, 1976, September 30, 1977, and September 30, 1978,[23] respectively, for the purpose of carrying out programs under title III of this Act.

ADMINISTRATION AND COORDINATION

SEC. 504. There are authorized to be appropriated each for the fiscal years ending June 30, 1974, June 30, 1975, June 30, 1976, September 30, 1977, and September 30, 1978, respectively, such sums as may be necessary for the administration of this Act as authorized in title IV of such Act.[24]

AVAILABILITY OF APPROPRIATIONS

SEC. 505. Notwithstanding any other provision of law, unless enacted in express and specific limitation of the provisions of this section, funds appropriated for any fiscal year to carry out any program under this Act or any predecessor authority shall remain available, in accordance with the provisions of this Act, for obligation and expenditure until expended.

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[22] The extension of the authorization and the amounts authorized to be appropriated for fiscal years 1977 and 1978 were added by section 205(a)(2) of Public Law 94-135, supra.

[23] The authorization of appropriations was extended for fiscal years 1977 and 1978 by section 6(b) of Public Law 94-293, supra.

[24] The authorization of appropriations was extended for fiscal yaers 1977 and 1978 by section 6(c) of Public Law 94-293, supra.

TITLE VI—AMENDMENTS TO OTHER LAWS AND REPEALERS

SUPERSEDENCE OF REORGANIZATION PLAN NUMBER 1 OF JULY 1, 1971

Sec. 601. (a) Sections 1, 2(a), 3, and 4 of Reorganization Plan Number 1 of 1971 (July 1, 1971) are hereby superseded.

(b) The personnel, property, records, and unexpected balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with the functions transferred to the Director of the ACTION Agency by sections 2(a) and 4 of such reorganization plan are hereby transferred to the ACTION Agency established by section 401. All grants, contracts, and other agreements awarded or entered into under the authority of such reorganization plan will be recognized under comparable provisions of this Act so that there is no disruption of ongoing activities for which there is continuing authority.

(c) All official actions taken by the Director of the ACTION Agency, his designee, or any other person under the authority of such reorganization plan which are in force on the effective date of this Act and for which there is continuing authority under the provisions of this Act, and the length of the period of service of volunteers serving or undergoing training under title VIII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2991–2994d) on the effective date of this Act, shall continue in full force and effect until modified, superseded, or revoked by the Director.

(d) All references to ACTION, or the Director of ACTION in any statute, reorganization plan, Executive order, regulation, or other official document or proceeding shall, on and after the effective date of this Act, be deemed to refer to the ACTION Agency established by section 401 and the Director thereof.

(e) No suit, action or other proceeding, and no cause of action, by or against the agency known as ACTION created by such reorganization plan, or any action by any officer thereof acting in his official capacity, shall abate by reason of enactment of this Act.

(f) Persons appointed by the President, by and with the advice and consent of the Senate, to positions requiring such advice and consent under such reorganization plan may continue to serve in the same capacity in the ACTION Agency without the necessity of an additional appointment by the President or further such advice and consent by the Senate.

CREDITABLE SERVICE FOR CIVIL SERVICE RETIREMENT

Sec. 602. Section 8332(b)(7) of title 5, United States Code (relating to creditable service to civil service retirement), is amended by inserting a comma and "or a period of service of a full-time volunteer enrolled in a program of at least one year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973 (—U.S.C.—)" after "Economic Opportunity Act of 1964".

REPEAL OF TITLE VIII OF THE ECONOMIC OPPORTUNITY ACT

SEC. 603. Title VIII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2991–2994d), is hereby repealed.

REPEAL OF TITLE VI OF THE OLDER AMERICANS ACT

SEC. 604. (a) Title VI of the Older Americans Act of 1965, as amended (42 U.S.C. 3044–3044e), is hereby repealed.

(b) Section 908 of the Older Americans Comprehensive Services Amendments Act of 1973 (Public Law 93–29) is amended by striking out "1973," and "1974," and inserting in lieu thereof "1974," and "1975,", respectively.

Approved October 1, 1973.

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